

Gaza Quiet, but Clashes Occur Elsewhere

By John Kifner
New York Times Service

JERUSALEM — Israeli troops kept a tight lid Thursday on the occupied Gaza Strip, but scattered demonstrations broke out in Palestinian refugee districts and towns in the West Bank and the Arab sector of East Jerusalem.

A Palestinian shot as he stabbed an Israeli soldier in the Gaza border town of Rafia died Wednesday. At least 14 Palestinians have been killed by the Israeli Army in the recent violence.

Part of Ruffa was put under a daytime curfew, meaning no one could go outside. Army units kept watch at the entrances to refugee camps and patrolled the streets. Nearly all the shops stayed closed in a general strike, despite efforts by the army to make storekeepers open for business.

"I think we are at a level of relaxation," Prime Minister Yitzhak Shamir said on Israeli radio. "The army is trying to return order to these areas to protect the population and their normal way of life."

Shops in Arab East Jerusalem stayed closed in the second day of strike, called mainly to protest the move by Ariel Sharon, the trade minister, into an apartment in the traditionally Arab Moslem Quarter of the Old City near Damascus Gate. As defense minister, Mr. Sharon was the architect of the 1982 invasion of Lebanon.

The chief *mufti*, or Moslem religious leader, Sheikh Saad a-Din al-Alami, decried the "dangerous and infuriating act" by the "butcher of Lebanon, the bloodthirsty Sharon."

The Moslem cleric charged that Mr. Sharon's pious-act was part of a plan to "kick out" Arabs from their quarter of the Old City.

The police in Jerusalem broke up several demonstrations in the Arab quarter. There were scattered incidents during the day in Ramallah, Bethlehem, Nablus and Hebron involving commercial strikes.

not so much with the events themselves, but at the adverse foreign reaction.

Israel's handling of the disturbances has brought strong official criticism from abroad, even from normally friendly countries, including the United States.

The Israeli Foreign Ministry set up a special unit to send information on the unrest to its embassies abroad, apparently in an effort to dispel the poor impression.

Request Sent to Mubarak

Mr. Shamir has asked President Hosni Mubarak of Egypt to invite him and King Hussein of Jordan for talks on Middle East peace, Mr. Shamir's spokesman said Thursday. Reuters reported from Jerusalem.

Mr. Shamir wrote to Mr. Mubarak that the renewal of ties between most Arab countries and Egypt after the Arab summit meeting in November in Amman, Jordan, put Egypt in a position to play host to such talks, the spokesman said.

Mr. Shamir suggested that Mr. Mubarak try to persuade Hussein to take part, the spokesman said. Egypt and Jordan have called for a United Nations-sponsored international peace conference, which would include the Soviet Union and the United States.



Iran Boats Attack Gulf Ship as U.S. Stands By

By John H. Cushman Jr.
New York Times Service

ABOARD USS LA SALLE, in the Gulf — Iranian gunboats attacked and set afire a cargo ship flying the Maldivian flag in the Gulf on Thursday. A U.S. warship nearby did not become directly involved in the episode.

The Chandler, an American guided missile destroyer, which on Saturday helped rescue crew members from a Cypriot-flagged oil tanker in the same area, sent a helicopter and a small boat to the scene Thursday, but the crew abandoned ship without the U.S. Navy's help.

Officials on board the La Salle, command ship for U.S. forces in the Gulf, said no assistance was needed. The cargo ship was carrying sulphur from Saudi Arabia out of the Gulf. The crew left on lifeboats.

Saturday, the oil tanker was spilling flaming fuel into the water, and the crew was removed by the Chandler's helicopter and by a helicopter chartered by a CBS News crew.

A few hours after the first attack on the Maldivian cargo ship Island Transporter, the Iranians again opened fire on the ship, on a fire-fighting salvage tug that had retrieved the crew, and on a CBS News helicopter that again was working in the area.

The two episodes have drawn renewed attention to the role being played by U.S. warships on patrol in the Gulf, where they are allowed to intervene only when U.S.-flagged merchant ships or navy warships are under attack or in imminent danger, or to aid mariners in distress.

According to shipping officials in the Gulf, the initial attack on the cargo ship occurred around dawn, when gunboats approached and fired rocket-propelled grenades.

The Chandler was in the area at the time and is believed to have known that the attack was coming. The Chandler, not the merchant vessel, was first to air a call for assistance on civil maritime frequencies.

The ship carried a crew of 27, all of whom escaped safely.

WORLD BRIEFS

CIA Punishes 4 in Iran-Contra Affair

WASHINGTON (UPI) — The director of the Central Intelligence Agency, William H. Webster, said on Thursday that he has dismissed and reprimanded four agency employees found to have acted improperly in the Iran-contra affair. The activities in question took place between 1984 and 1986, while William C. Casey, who died last May, was agency director.

An intelligence source who asked not to be identified said that those disciplined included Duane Clarridge, the CIA official in charge of counterterrorism and formerly head of covert operations in Latin America, and Alan Fiers, who headed Central American operations, who were reprimanded. Joe Fernandez, the Costa Rica station chief, and the base chief at Aguacate, Honduras, were discharged.

Mr. Webster's action was largely directed at findings in an internal inquiry that CIA employees had assisted Nicaraguan rebels in violation of the Boland amendment, which at the time banned official U.S. military aid.

Deaver Prosecutor Hits U.S. Leaders

WASHINGTON (AP) — The prosecutor in the trial of Michael J. Deaver on perjury charges harshly criticized the Reagan administration on Thursday and said that the conviction of the former close aide to President Ronald Reagan was only a "thumb in the eye" against the flood of influence peddling in Washington.

At a press conference, Whitney North Seymour Jr. accused the Reagan administration of tolerating "backdoor and back-stairway favor buying." In a separate statement he referred to "vast sums of money" spent by corporations and foreign governments "to buy influence and favors," and said that "until the attitudes of government leaders change, there is little that prosecutors can do except put a thumb in the eye."

Mr. Deaver was convicted Wednesday of lying to a House panel and a grand jury that investigated the propriety of lobbying he did after he resigned as deputy White House chief of staff.

Londonderry Bombs Kill 1, Injure 15

LONDONDERRY, Northern Ireland (AP) — Two time bombs exploded on doorsteps in a Protestant housing project, killing one man, injuring 15 other people and damaging 50 houses, police said Thursday.

Police blamed the Irish Republican Army for the Wednesday night attack, but the outlawed guerrilla group denied responsibility.

The bombs, left in cloth bags, exploded outside two houses 50 yards (45 meters) apart in a housing project in the Waterside district of Londonderry, Northern Ireland's second-largest city. Police said the bombs contained timing devices and about 5 pounds (2.2 kilos) of explosives each.

U.S. Producing New Chemical Arms

WASHINGTON (Reuters) — The United States has ended an 18-year moratorium on the production of chemical weapons and is filling canisters for artillery shells that would spread toxic nerve gas over targets, the Defense Department said on Thursday.

The canisters of inert chemicals are designed to be inserted into a 155mm shell, the first member of a new family of binary weapons on the U.S. military. Such binary shells will contain separate, harmless components that combined do not form deadly agents until they are fired from guns or dropped from aircraft.

In Geneva on Thursday, U.S. and Soviet negotiators adjourned their latest round of talks aimed at banning production, deployment and stockpiling of chemical weapons, an official U.S. statement said. There was no immediate indication what progress was made during the talks.

For the Record

About 220,000 people died in Soviet road accidents over the past five years, a newspaper said Thursday. *Sotsialisticheskaya Industriya* said one-fifth of the deaths were due to drunken driving. It said 50,000 people had died in accidents this year and 250,000 were injured. (Reuters)

A British ferry captain failed in his appeal to clear himself of blame for a disaster off the Belgian coast in which the ferry *Herald of Free Enterprise* capsized on March 6, killing 193 people. Captain David Lewry was turned down in an appeal to a high court in London. (AP)

TRAVEL UPDATE

All U.S. Airline Staff Subject to Checks

WASHINGTON (AP) — The Federal Aviation Administration, responding Thursday to criticism of lax security at major airports, ordered airlines to require all employees, including uniformed flight crews, to pass through airport security checkpoints.

The agency also said it would soon take regulatory action aimed at requiring airlines to make increased use of computers to keep track of identification badges used by its employees as well as other workers at major airports. The directive goes into effect Monday.

The action occurred as congressional investigators said at a House hearing that they found widespread security problems at major airports, with inadequate passenger screening, lax control over employee security badges and thousands of badges missing.

French Pilots, Mechanics End Strike

PARIS (UPI) — Pilots and technicians of the French domestic carrier Air Inter ended a two-day strike Thursday and airline officials said normal service would be restored Friday for holiday travel.

Air Inter spokesmen said 77 of 324 scheduled flights were canceled Thursday as navigators and technicians struck in objection to plans for smaller air crews in the new Airbus A-320. Officials said 250 flights would be added on Friday, Saturday and Sunday to meet the pre-Christmas rush.

Passenger traffic on Alitalia, the Italian national airline, increased by 11 percent in the first 11 months of 1987, a spokesman for the airline said Wednesday in Florence. (UPI)

Relative calm returned to Rome's Leonardo da Vinci airport on Thursday as striking ground workers abided by a Christmas truce, suspending protests that have caused havoc for air travelers for months. (Reuters)

The Oslo city council, trying to cope with traffic problems, has decided to impose a toll of 10 crowns (\$1.50) on private vehicles entering the city, beginning in the spring.

The state road from Sondrio, Italy, to the Italian resort of Bormio, swept away by landslides and flash floods in July, was reopened to traffic on Sunday. (AP)

KOREA: Kims Cite Fraud in Vote

(Continued from Page 1)

whether only hard-core militants take to the streets.

Dissident groups Thursday repeated and amplified charges of pervasive cheating at polling places and counting stations. Among the more common unfair practices attributed to the ruling party were payoffs to voters, switching of ballot boxes and tampering with individual ballots.

But many neutral analysts were not persuaded that these incidents, taken together, constituted proof of systemic election fraud. "There's no smoking gun," a university political scientist said. "At least there's no gun big enough to support claims that it made a difference."

Some people in the opposition focused Thursday on possible computer fraud, raising questions about the integrity of procedures for counting the 23 million paper ballots. Here again, there was no hard evidence of wrongdoing. But in determining the prospects for short-term stability, perceptions may count as much as reality.

Koreans of all political stripes were startled to find Mr. Roh finishing a close second to Kim Dae Jung in Seoul, normally an anti-government center. That topped off alarms among some skeptics.

Computer tabulations made by an anti-government group called the National Coalition for Democracy reportedly showed different vote totals from the official figures. There was no evidence, however, that this operation had been run more professionally than the government's. Besides, Mr. Roh was the winner anyway, although by a smaller margin.

CZECH: Husak Leaves Party Post

(Continued from Page 1)

was Mr. Gorbachev's support for his leadership and for party policies. At the same time, he forcefully restated the official, hard-line Czechoslovak party judgment on Mr. Dubcek.

The party maintains that while Mr. Dubcek's administration initially offered promise, it was taken over by "rightist and anti-socialist forces" that "threatened the foundations of the socialist system."

There was some speculation that Mr. Husak, who will be 75 in January, was prompted to resign partly for reasons of age and partly by declining health. The fact that he will remain in the largely ceremonial position of president and retain his seat on the presidium suggested that the change was neither forced nor made suddenly, diplomats said.

and the "democratization of public and political life."

That appeared to reflect a measure of Soviet dissatisfaction with the pace of change in Prague. Though Mr. Husak had sought to avoid falling out of step with Moscow, he proceeded in recent months prudently and slowly, and appeared determined to limit change largely to economic revisions.

Mr. Jakes has a reputation for strict orthodoxy. As head of the party's Control and Auditing Commission in 1968, he oversaw a purge of the party's ranks following the Soviet invasion. Then, tens of thousands of Communists were stripped of their party membership while others were suspended.

He was born Aug. 12, 1922, in the southern Bohemian town of Cesky Krumlov, and after learning the trade of electrician, joined the Communist Party in 1945.

He headed the party's youth organization after 1955, and later studied at the Soviet Communist Party's college in Moscow.

Mr. Jakes advanced to membership of the Secretariat in 1977, with responsibility for farming, and became a full member of the Presidium in 1981.

Tass quoted Mr. Jakes as assuring the Czechoslovak Central Committee, which confirmed his nomination, that there would be no change in Czech party policy.

Message From Moscow

John Tagliabue of The New York Times reported from Warsaw: Diplomats in Prague said that the change had been expected there and that Mr. Jakes was generally expected to be the successor.

In a report from Moscow, the Tass press agency said that Mr. Gorbachev, in a congratulatory message to Mr. Jakes, had urged him to set forth the "restructuring" of the Czechoslovakian economy,

and the "democratization of public and political life."

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Scores Detained In Gdansk After Speech by Walesa

GDANSK, Poland — The police detained scores of protesters in the southwestern city of Katowice hours after Lech Walesa, the Solidarity leader, demanded freedom for Poles and praised changes in the Soviet Union.

"We want freedom," Mr. Walesa said Wednesday during a speech to about 1,000 shipyard workers on the anniversary of the 1970 food riots in which at least 50 persons were killed in this Baltic Sea port.

In Katowice, the police attacked marchers taking part in a memorial service, beating them with batons and detaining about 100 of them, according to a human rights activist, Zygmunt Lenk.

He said a group had marched to the Wujek coal mine to lay flowers at a plaque commemorating the deaths of six miners. The workers were killed by the police following the imposition of martial law in 1981.

Prisoners Traded in Berlin

BERLIN — East and West Germany exchanged six prisoners in a three-for-three trade at the Wartha border crossing point on Thursday, the official East German press agency reported.

U.S. F-16 Crashes in Spain

MADRID — A U.S. Air Force F-16 fighter-bomber on a training mission crashed Thursday east of Madrid. The pilot parachuted to safety, the American Embassy said.



Milos Jakes

Carbide Ordered to Pay Interim Relief in Bhopal

By Richard M. Weintraub
Washington Post Service

NEW DELHI — An Indian judge ordered the Union Carbide Corp. to pay approximately \$270 million in interim relief for the victims of the 1984 gas leak at Bhopal that left more than 2,000 people dead and between 20,000 and 50,000 seriously injured.

Judge M.W. Deo of Bhopal District Court rejected arguments by Carbide lawyers that he had no power to grant interim relief in the case, and ordered the multinational company, which is based in Danbury, Connecticut, to deposit the money with the court within two months.

The action appeared certain to raise a major debate among experts who already are sharply divided. It also throws a new element of confusion into a case that has been watched around the world as a test of a multinational company's liability for an industrial catastrophe.

The company said it would appeal the ruling, which it angrily said "ran counter to the laws of India and other democracies."

Crowds outside the courtroom danced in glee over the decision. Lawyers for the government of India, the representative of victims, called the decision excellent, while lawyers for Carbide said only that "we will study the order before taking any action."

Judge Deo, who often has expressed his concern for the victims of the leak, said his interim relief ruling would not prejudice any final ruling.

He said "it cannot be denied that an unprecedented tragedy took place on account of a deadly leak" from Carbide's "hazardous activity of storing deadly material."

"Can it be disputed that many more have become permanently disabled and others still suffered lesser injuries? Will it not be prudent to order payment of a relative sum bearing in mind all the progress in the case so far?"

Robert Berzok, a spokesman for Carbide, said in Danbury that the decision, "amounts to awarding damages without a trial, a practice counter to the laws of India and other democracies. Although we are deeply concerned for the victims, interim compensation has never been allowed where the evidence with respect to liability is in dispute."

He said that because of "strong evidence" that the tragedy was caused by employee sabotage, liability was "in serious dispute and has not been determined."

India is seeking \$3.3 billion in damages for the devastation that

followed the leak from the Carbide subsidiary plant at Bhopal.

Carbide now can appeal the decision within the Indian system and ultimately back to the U.S. courts. At the same time, both sides must prepare for the court arguments on the case itself, a process which is expected to be long and involved.

Also left unresolved are discussions on a negotiated settlement, made more involved by the interim order.

Indian officials familiar with the case, on the other hand, welcomed the decision as a step forward in the legal process, an indication that the government strategy appears to be to put pressure on Carbide for an enhanced negotiated settlement by pressing its case in the courtroom.

The disaster spawned a rash of lawsuits brought first in U.S. courts and then shifted to a Special District Court in Bhopal when Judge John F. Keenan of the Southern District Court of New York ruled that India was the proper place for the case to be tried.

Meanwhile, attorneys for Carbide and the government of India had been working for months on a negotiated settlement and were believed to have been closing in on a sum of between \$500 million and \$600 million. When they told Judge Deo on Nov. 18 that they had not yet reached an accord, however, he ordered trial proceedings to begin.

TRIBE: Afrikaners Facing Change

(Continued from Page 1)

the Afrikaners as a privileged group had no basis in the Bible.

"There is no such thing as being an elect people," he said between pauses for congratulations on his sermon by members of the congregation. "As I see it, if our lives are to be based on a belief in righteousness, what is immediately ruled out is any question of any one person or group deciding for others."

Such attitudes are far from universally accepted; at Covenant Day ceremonies elsewhere across the country Wednesday, speakers belonging to conservative opposition groups urged the rejection of any moves toward a racial accommodation of the black majority.

Still, the idea of a political deal with blacks is no longer a marginal thing among Afrikaners. The country's president, Pieter W. Botha, rarely speaks without stressing government commitment to equality between racial groups. But the political arrangements Mr. Botha appears to favor are complex ones that would deny blacks the goal of outright majority rule that many of their leaders have demanded.

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DEATH NOTICE



PANAMANIAN STUDENTS PROTEST — One of six government vehicles burning in Panama City in a protest of the National Defense Force's "Loyalty Day" by a small group of university students. General Manuel Antonio Noriega, the country's de facto leader and the target of much recent protest, is the commander of the force.

Summit Creates Confusion on Nicaragua

Soviet Intent Still Unclear

By R.W. Apple Jr.
New York Times Service
WASHINGTON — President Ronald Reagan's brief discussion of Nicaragua with Mikhail S. Gorbachev last week has produced confusion about the Soviet leader's intentions in Central America.

All over official Washington, people concerned with the region are trying to answer two series of questions and having trouble doing so. As a Republican senator said Wednesday, "We're getting a lot of information, and it is making the situation more opaque by the minute."

NEWS ANALYSIS

It is unclear, to begin with, precisely what Mr. Gorbachev proposed to the president as they strolled in the White House garden just before lunch on Dec. 10. Mr. Reagan told reporters at a brief picture-taking session Tuesday that Mr. Gorbachev had expressed his willingness to halt arms shipments to Nicaragua, except for "police-type weapons."

According to Mr. Reagan, Mr. Gorbachev made no explicit demand for any U.S. action as part of a deal, although some White House officials believe that he was implicitly asking for an end to U.S. aid to the Nicaraguan rebels, or Contras. "But the Soviet Foreign Ministry spokesman, Boris Pyadyshov, was quoted Wednesday by Tass as saying that Mr. Reagan's account of the exchange was "at odds with reality."

According to the Soviet press agency, Mr. Pyadyshov reported that Mr. Gorbachev had suggested to Mr. Reagan that Moscow and Washington "agree on a reciprocal basis to review possibilities for promoting the process of peaceful settlement in Central America."

Runway Collision In U.S. Heights Growing Concern

New York Times Service
NEW YORK — A government inquiry began Wednesday into a runway collision Tuesday between an Eastern Airlines jet taking off from Kansas City and a small cargo airliner.

The incident reinforced the concern of safety specialists about runway collisions and close calls, which have been occurring with disturbing frequency despite a variety of measures to diminish the hazard.

No one was hurt when the jetliner struck the cargo plane, and the Eastern Boeing 727, carrying 93 people, completed its flight to Seattle. The Eastern crew did not know until arriving in Seattle that they had collided with the other plane, according to preliminary results of the inquiry.

Bizarre Post-Invasion Plan

By Bernard E. Trainor
New York Times Service
MANAGUA — From a military standpoint, one of the more bizarre revelations by a Nicaraguan defector in Washington last week was his description of the Sandinista plan to cope with a U.S. invasion of Nicaragua.

Major Roger Miranda Bengochea told American journalists that if the United States invaded Nicaragua, the Sandinista government would try to "regionalize the conflict."

NEWS ANALYSIS

Major Miranda, the former top aide of Defense Minister Humberto Ortega Saavedra, said that in the event of an invasion Sandinista troops would carry the war into Honduras to the north and bomb Costa Rica to the south. Support for rebels in El Salvador was also cited as a way to expand the conflict beyond the borders of Nicaragua.

The plan is to cause chaos that "could lead to a popular uprising in favor of the Sandinistas," Major Miranda said. He also said that because the Sandinistas did not believe they could defeat an invasion, they would draw the United States into a guerrilla war until international pressure forced it to leave Nicaragua.

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Dole Backs INF Pact in Appearance With Reagan

By David Hoffman
Washington Post Service
WASHINGTON — The Senate minority leader, Bob Dole, embraced the new medium-range missile treaty Thursday in a political moment at the White House in which he was introduced by President Ronald Reagan, who stepped quickly off the podium and greeted him as he was trying to aid Mr. Dole's presidential bid.

"No, there's nothing of that kind here," Mr. Reagan said in response to questions about whether he was jumping into the Republican presidential campaign. "I am and have always been neutral with regard to the political race."

The appearance had drawn objections from campaign strategists for Vice President George Bush, the Republican frontrunner and Mr. Dole's chief target in the Iowa precinct caucuses Feb. 8. Mr. Reagan, who almost always remains on the podium when he has brought a political briefing to the White House press briefing room, stood off to the side Thursday while Mr. Dole read a statement promising to "lead the fight" for the treaty in the Senate.

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Hart 'A Joke,' or 'Courageous'

A Day With the Voters Draws Sharply Opposing Views

By Maureen Dowd
New York Times Service
PORTLAND, Maine — "Hey, Gary, how's Donna Rice?" the truck driver called out to the candidate. "How's Donna?"

Sometimes it was whispered and sometimes it turned up in obscene signs and jokes, but the name of the Miami model whom Gary Hart entertained in his Washington town house that fateful weekend seven months ago kept coming up Wednesday.

Everywhere he went in New Hampshire and Maine, Mr. Hart provoked strong reactions, with many voters calling his re-entry into the Democratic presidential campaign "a joke" and many calling it "courageous."

Bill Dubois, a burly truck driver in Dover, New Hampshire, said he wished the candidate well, despite his teasing question that drew only a tightened smile for an answer. "His personal life should not affect his politics," he said. "He seems to really know his stuff."

At times, the first full day of Mr. Hart's resuscitated quest for the presidency seemed more a catharsis than a campaign — both for the candidate and his stoic wife, Lee, and for a public that is grappling with new questions about moral standards for their leaders.

What those answers will ultimately be is, of course, unclear. A New York Times-CBS News Poll, in a national survey conducted Tuesday night, found that Mr. Hart has now joined the Reverend Jesse L. Jackson at the front of the Democratic field. But it found that he is rated unfavorably by a substantial minority of Democrats, even though most voters said that knowing a candidate had been unfaithful to his wife would not be enough to make them vote against him.

That seemed to be the idea at Dover High School, where a student asked Mr. Hart about politicians who "mislead the public."

"I don't think politicians have the right to mislead the public," Mr. Hart responded, "but on the other hand the public does not have the right to know everything about everyone's personal and private life." The 700 students in the auditorium roared their approval.

"The guy's awesome," said a student, Bob Williams, after listening to Mr. Hart lecture on economics and arms control and global strategy. "After all the publicity he's had about girls and stuff, a lot of people would have just gave up. He's facing it."

Jennifer Flannery, 17, agreed. "Over in France, they have mistresses put up in apartments," she said. "It was good of his wife to take him back. He's running for

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Dole Backs INF Pact in Appearance With Reagan

A Day With the Voters Draws Sharply Opposing Views

By Maureen Dowd
New York Times Service
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an-Contr...
Hits U.S. Lead...
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Mechanics End...
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70, lg Saint-Honore - Palais des Congrès, Porte Maillot
A Cannes: 19, La Croisette

DOONESBURY
30 GLAD YOU COULD MAKE IT, SIR. LORD JEFFREY WANTS YOU.
MY FIRST PEER! HOW EXCITING!
LORD JEFFREY IS SHALL I SAY, OUR GRAYEST EST ENHANCEMENT!
LORD JEFFREY IS VISCOUNT ST. AUSTELL! IN-THE-MOOR! A DEEP HONOR, SIR!
LORD JEFFREY? YOUR GRACE?
OH, PISH! I FEAR THE HONOR...
WELL, LET'S TRY ANOTHER. HOW ABOUT THAT OL' GUY OVER THERE?

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OPINION

Herald Tribune

How to Help Ethiopia

Once again at Christmas, the well-fed guiltily confront pervasive images of starving Ethiopians. But the world knows a good deal more about Ethiopia than it did when famine struck three years ago...

The Division in OPEC

OPEC meetings have become a kind of theater in which the world can see the political conflicts being played out among the oil-exporting countries. The war between Iran and Iraq has severely damaged the cartel's ability to set prices...

Hard Economic Choices

When industrial production rises smartly, as it did last month, the Reagan administration and nearly everyone else hail that as a healthy sign. When the trade deficit continues to rise, as it did in October, the administration and nearly everyone else correctly regard it as a sign of serious trouble...

Brazil Is Hurting Itself

Impatient with Brazil's fierce protectionism on computers and software, President Reagan last month ordered retaliation. His response is not without risks, given Brazil's fragile politics and its \$100 billion foreign debt...

Europe: The Issue Now Is Peaceful Evolution

HELSINKI — In the aftermath of the Washington summit meeting, Western Europe is racked with doubt and apprehension, blending German angst with Gallic skepticism. The Americans never seem to get it right. When the United States appears to be weak, as under Jimmy Carter, Western Europe is afraid...

The Winds Blow Slowly

MEXICO CITY — Many travelers to Cuba in recent times, including old friends of Fidel Castro, have been struck by the ironic tricks that history plays on those who have earned a place in its annals...

A Surfeit of Democratic Risk-Takers

WASHINGTON — The Democratic Party confronts a brutally simple challenge as the election year ends. Its two best-known presidential contenders, Jesse Jackson and the self-resurrected Gary Hart, are distinguished by so many virtues they are probably unselectable...



Gary Hart by ENK. CRAW Syndicate.

Catastrophe or Prosperity: Which Is the Real Economy?

WASHINGTON — It has been a weird few months. Ever since Oct. 19, when the New York stock market lost a fifth of its value, we have had two economies. One is the economy of the commentators and of the stock, bond and foreign exchange markets...

In West Germany, exports have held up better than expected. Unemployment has risen only slightly; consumer spending is strong. In Japan, the economy is more robust, helped by expanding domestic spending...

Japan's Latest 'Miracle' May Not Last

TOKYO — Japan has pulled off what appears to be another economic miracle. Despite the trauma induced by the year's appreciation, the Japanese economy is once again expanding vigorously...

100, 75 AND 50 YEARS AGO
1887: O Tannenbaum! BERLIN — Berlin has begun its Christmas a long time in advance. For a week we have been watching the growth of forests of Christmas trees on every vacant square...

1912: Battle in the Straits ATHENS — Wireless messages from the Greek fleet indicate that the Turkish fleet suffered severe damage in the engagement fought at the entrance to the Dardanelles [on Dec. 16]...

1937: Soviet Elections MOSCOW — Figures showing the number of electors whose votes were invalid or who crossed out the names of candidates in the Soviet elections [on Dec. 12] have been published...

1912: Battle in the Straits (continued) According to the commander of torpedo boat No. 16, the artillery duel between the armored cruiser Giorgos Averoff and three Turkish bat-

Vertical text on the right edge of the page, including 'Israelis', 'Acquitted', 'EUR', and 'France May Penalize'.

INTERNATIONAL HERALD TRIBUNE
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The Gaza: Israelis Have Failed Even to Look for a Solution

By Anthony Lewis

WASHINGTON — Israel's defense minister, Yitzhak Rabin, bristled at a questioner asked about the territories, drawing a parallel with South Africa. When the tactics of repression in Gaza and the West Bank tearing at the fabric of Israel's society?

There is no parallel, Mr. Rabin said. There could not be, he said, because Arabs are not a majority as blacks are in South Africa. There are 3.5 million Jews and only about 2 million Arabs in Israel in the occupied territories. But the questioner was not raising the point of arithmetic. The point, one at ruling someone as a subject people, without political rights, requires a use of force and more force — and disrupts those who rule.

Mr. Rabin was speaking at the Brookings Institution to an audience including socialists from the Middle East. The tension in Gaza, the shooting of Palestinian demonstrators there, gave urgency to the occasion. But anyone who hoped for a light on the problem must have read his answers with despair.

Israel had three options in the occupied territories, Mr. Rabin said. One was to annex them, giving political rights to all inhabitants who wished them. The second, "at the other extreme," was to withdraw unilaterally from most of the land taken in 1967. The third option, he said, the one actually followed by all Israeli governments since 1967, was to occupy the territories militarily and leave their legal and political status open until Jordan and appropriate Palestinians were ready to negotiate. As Anwar Sadat's example had shown, only through negotiations could the Arabs get territory back from Israel. But the reality is not of a status quo carefully preserved until negotiations. Large numbers of Israelis have settled in

The Two Camps in Israel

IN Israel, debate over the territories has split the country along political lines. On the right, those who advocate annexation are increasingly open in adding that this might involve the "transfer" of some of the Palestinian population. On the left, many of those committed to the traditional Labor Zionism ideals of having a society that is both just and Jewish advocate speeding up negotiations for an Israeli pullback. The Reagan administration has abstained from trying to influence the debate. But now Palestinian activism might change that. At the least, American presidential candidates should pledge to uphold the human rights of the territories' Palestinians, and they should press for real negotiations on the territories' long-term political status.

— Helena Cobban, Los Angeles Times



LETTERS TO THE EDITOR

Where INF Will Take Us

The advertisement in your Dec. 7 issue by the Ad Hoc Committee to Stop the INF Treaty, which appears to consist mainly of military officers, opposes any steps toward disarmament and instead demands increased spending on nuclear weapons. Ever-increasing numbers of nuclear weapons can only lead eventually to the horror of nuclear war.

The Intermediate-Range Nuclear Forces treaty is not perfect, but it is a step forward, even though it only eliminates a small percentage of the nuclear arsenal. For further steps, the Soviet leaders have left open, and it is one that makes much more sense.

Once again, Mr. Reagan has demonstrated that security is one of the last things on his mind when it comes to foreign policy. The Strategic Defense Initiative, the Iran-contra affair, the endless attack on the Anti-Ballistic Missile Treaty, and now this.

ERIC TRAUPMANN, Aix-en-Provence, France.

Anthony R. Cave

After years of involvement in the anti-nuclear movement in the United States, some of my friends think I should be happy to see the INF treaty, I am not. As Flora Lewis pointed out in "The Battle to Define Security" (Dec. 7), to decrease the number of nuclear weapons both sides have does not automatically increase stability, and in fact, greatly decreases it.

That the United States might have to switch to a policy of depending on intercontinental ballistic missiles launched "on warning" is not a comfortable thought. It is the possibility of false warning and thus accidental nuclear war that is the greatest risk.

Hold Baker Responsible

The headline "White House Said to Warn Fed" (Dec. 14) demonstrates to what extent President Reagan and the secretary of the Treasury have turned American economic policy into the theater of the absurd. In any well-run business the person responsible for driving an enterprise into bankruptcy is fired. Treasury Secretary James Baker was trained as a lawyer, not as a finance specialist. The first step in restoring the American economy would be to fire Mr. Baker. The second would be to name Paul Volcker secretary of the Treasury.

E. ERNEST GOLDSTEIN, Villars-sur-Ollon, Switzerland.

A Way to Stop the Suffering

In response to Mehrdad Khonsari's letter to the editor "In the Gulf War, Apply Pressure to All Who Resist Peace" (Nov. 27), I wish to state my opinion about UN Security Council Resolution 598, which calls for a Gulf cease-fire. Resolution 598 is the first effort by the international community to end the pointless Iran-Iraq war, which has dragged on for more than seven years and has caused the loss of thousands of lives as well as causing millions of dollars of damage. It is also the only logical way to end the war at this time.

Knowing Ayatollah Ruhollah Khomeini's desire to continue the war, and

Hong Kong Head-Hunting: The Canadians Know How

By Richard Reeves

HONG KONG — "The Canadians aren't playing fair," said a frustrated U.S. diplomat. The Canadians? No one attacks Canadians. "They're skinning off some of the best people in Hong Kong," the diplomat said, "but they're practically selling visas to do it." The game being played by Canadians — and by the Australians and others — is grabbing up the best and the brightest, the richest people in Hong Kong, before the British crown colony is turned over

MEANWHILE

to China in 1997. Most of those people would like to become Americans, but the United States is hardly a player because U.S. immigration laws have nothing to do with talent or riches but only with family reunification.

U.S. immigration policy is so rigid, in fact, that anyone can walk by the U.S. Consulate on Garden Road and see precisely where he or she stands. A large board lists who in Hong Kong is eligible for a U.S. immigrant visa — based solely on whether they have American relatives and on what date application was made.

If your brother or sister is a U.S. citizen and you applied before Oct. 8, 1975, your visa is ready now. If you are married and your parents are Americans, you must have applied before Aug. 21, 1981.

So it goes. Until November, only 600 people a year were allowed into the United States from Hong Kong. The waiting time is three to 12 years — and only for those with relatives. The final category on board, non-preference — meaning no relatives — has no date at all, just the word "unavailable."

A few blocks away, at the Canadian Commission, more than 20,000 immigrant visas will be issued this year. Some are going to relatives of 600,000 Canadian citizens of Chinese descent, but most will go to three other categories: investors, entrepreneurs and independent skilled migrants.

Investors must put about \$200,000 into a government-approved project in Canada. Entrepreneurs must put about \$100,000 into a new business employing Canadians. (Those two categories already have brought more than \$800 million into Canada.) Independents must have a skill the country needs, including computer programmers, electrical and industrial engineers, medical and health administrators and speech therapists.

"Canada's in the immigration business," said Nigel Thomson, an immigration counselor at the Canadian Commission. "These are the kind of people we want. They bring family values, a devotion to law and order, and, especially, a drive toward competitiveness and achievement which we seem to be out of our own young people."

If immigration is your business, Hong Kong is your kind of place. There seems

to be only one conversation in this city-state of five million hustlers: What are you going to do when the Communists come? Ten years from now, on June 30, 1997, Britain will turn Hong Kong back to China after 99 years of colonial rule.

Some admit it, some deny it, but the assumption is that anyone bright enough to succeed in Hong Kong has or is trying to get another passport before that day. Despite fervid assurances from Beijing that nothing will change, the brain drain is under way; many people have already left, others intend to, and many, many others want to be ready for the worst.

The choice option of flight is the United States. Laissez-faire economics, after all, is what Hong Kong is about. Canada is the second choice, but it is cold and, face it, a little dull. Australia, which is trying to compete with Canada for the best and the brightest, has great weather, but a reputation for racism scares some Chinese in Hong Kong. Singapore is in the game, too, but is losing because while it may be ethnically comfortable (i.e., majority Chinese), its economics are as controlled as its politics.

So Canada is collecting. Last week, a prominent university official came in saying he planned to open a sushi restaurant in Winnipeg. And in Vancouver, a city that already has 250,000 residents of Asian descent, there is a place called Widow Street, where Hong Kong women are establishing residence while their husbands stay behind to make fast money for a few more years.

Washington has made a gesture to acknowledge that it does know what is happening. On Oct. 1, the U.S. quota for immigrants from Hong Kong was raised from 600 to 5,000 a year. But still, only relatives, please. America is a country of immigrants, it's true, but like the Australians, it has traditionally preferred white ones.

Congress has done its work so well that even Confucius could not become an American. Secretary of State John Hay wrote of U.S. immigration policy in a 1904 memo to President Theodore Roosevelt. Things have gotten better since then, and Asian-Americans have been making the U.S. stronger and brighter — 20 percent of the entering freshmen at the Massachusetts Institute of Technology are now of Asian descent. But if Confucius lived in Hong Kong, and wanted to be an American, he'd probably get only as close as Toronto.

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GENERAL NEWS

Acquitted Mafia Suspect Is Slain in Italy

Palermo, Sicily — A defendant acquitted Wednesday in Italy's biggest Mafia trial was shot and killed here Thursday.

The state-run RAI television said the victim, Antonio Cilla, one of the 114 acquitted defendants, was shot as he approached his house in Palermo about four hours after the trial ended.

Mr. Cilla had been celebrating

with friends when he was killed by unidentified assailants who fled in a car, the Italian news agency ANSA said. He was acquitted on grounds of insufficient proof.

Court Sentences 338

Roberto Suro of The New York Times reported from Palermo: The trial ended Wednesday with guilty verdicts against 338 of 452 defendants accused of running a



Cardinal Bernhard Alfrink

B. Alfrink, Liberal Dutch Cardinal, Dies

THE HAGUE — Cardinal Bernhard Alfrink, 87, who became a symbol of liberalism in the Dutch Catholic Church during his 21 years as primate, died Thursday in Nieuwegein after a long illness.

Cardinal Alfrink represented the views of many liberal Catholics but saw his influence wane when the Vatican made a series of conservative appointments in the Dutch church in the 1970s.

He stepped down as primate in 1976 and was succeeded by Cardinal Johannes Willebrands, the archbishop of Utrecht.

He rose to become leader of the Dutch church when he was named archbishop of Utrecht in 1955. He gradually shed his conservative views and began urging church reform.

He was named cardinal in 1960 and was one of the presidents of the Second Vatican Council from 1962 to 1965.

Other deaths:

Frank G. Boyce, 70, who served for nearly a quarter-century as president of the Experiment in International Living, an exchange program for students, Wednesday in West Brattleboro, Vermont, after a long illness.

Maria-Theresa Duncan, 92, the last of Isadora Duncan's adopted daughters, Monday in New York.

Ray Malavasi, 57, who coached the Los Angeles Rams to their only Super Bowl appearance, Tuesday of a heart attack.

Asia-Pacific Airlines Joining Forces For Computer Reservation Network

SINGAPORE — Airlines in the Asia-Pacific region are joining forces to set up advanced computer reservation networks to counter a threat from similar systems in the United States and Europe.

Airline officials said that hundreds of millions of dollars would be spent on advanced computer systems over the next five years, as regional airlines attempt to attract business from travel agents and passengers in competition with airlines from the West.

The rewards in the airline war are large. The Asia-Pacific is the fastest-growing region for commercial aviation.

The International Civil Aviation Organization estimates that passenger traffic in the region will grow at an average annual rate of about 10 percent up to 1995, compared to 5.5 percent for Europe and 6.5 percent for North America.

The new computer systems, owned by large airlines or groups of airlines, offer travel agents and passengers instant booking service for a wide range of flights, fares, hotels, hire cars, package tours and other travel-related services.

They are supplanting older computer programs, run mainly by individual airlines, that provide a more-limited service.

Three of the five biggest airlines in east Asia — Cathay Pacific, Thai International and Singapore Airlines — announced recently that they would form a joint venture company to set up a regional computer reservation network.

Executives involved in the project, called Abacus, estimated that it would cost between \$150 million and \$200 million by the time it is operational at the end of 1989.

They said that the central computer complex, to be located in Singapore, would be capable of handling 300 messages a second and of supporting more than 10,000 terminals.

Another of the five largest airlines in the area, Qantas of Australia, pulled out of the Abacus planning group. It wants a regional computer reservation system based in Sydney.

Qantas sources said the cost of its system would be about the same as for Abacus. Both Qantas and the Abacus group have invited other Asia-Pacific airlines to join their systems by sharing the cost.

Officials at Japan Air Lines, the biggest carrier in the region, said that JAL had not decided whether to join Abacus or Qantas or to offer its own network.

Hawke to Stick With Party

CANBERRA, Australia — Prime Minister Bob Hawke, who won a third term five months ago, said Wednesday that he would lead the Labor Party in the next elections, due in mid-1990, ending speculation that he might retire.

EUROPEAN TOPICS

Irish Court Awards Treasure to State

The Irish Supreme Court in Dublin has ruled that a ninth-century chalice and other early Christian artifacts found in a bog by a father and his son belonged to the state. The ruling overturned a previous High Court verdict that had awarded 5 million Irish pounds (\$8.2 million) to Michael Webb and his son, who is also named Michael. The court granted the Webbs 50,000 Irish pounds.

The Webbs found gold, silver and bronze relics with a metal detector in County Tipperary in 1980. A golden chalice, which became known as the Derrynaflan Chalice, was valued at 5.5 million pounds. The senior Webb brought the find to the National Museum in Dublin, which offered 10,000 pounds to him and 25,000 pounds each to the two landowners involved. The landowners accepted, but Mr. Webb refused and sued for the recovery of the find.

The 5 million pounds had been "just a paper dream," Mr. Webb said after the verdict. "Honor has been satisfied on both sides."

Sweden Has Named a Square in Central Stockholm After Raul Wallenberg

Sweden has named a square in central Stockholm after Raul Wallenberg. It was the first such dedication in Sweden for the diplomat who saved thousands of Hungarian Jews from the Nazi death camps. Mr. Wallenberg was captured in Budapest by Soviet troops at the end of World War II, and Moscow has repeatedly said that he died of a heart attack in a Moscow prison in 1947. But numerous witnesses have reported seeing him alive in Soviet prisons many years later. Sweden, as a rule, does not honor people who are alive with names on plaques, and government officials said the measure was an exception to the "living persons" rule.

A humorous leaflet appeared on the streets of Frankfurt and Berlin days before the West German government's decision Wednesday to adopt a bill aimed at banning demonstrators from wearing masks. The "Rent-a-Demo" leaflet offers three types of demonstrations to people who are irritated with officials or neighbors. The five-minute Mini demonstration — "for the price-conscious" — consists of one "authentic squatter on an ocobike." The Standard demonstration consists of 30 people, including some who are masked, and a cheerleader. Length: 30 minutes. For those who want to make a real impression, the 90-minute Super Gala protest has a cast of 100, including 15 punks, three toddlers, two preachers and a genuine Central American freedom fighter. A nursing mother can be added on request. Special offer: a free preacher with each demo, "as long as the supply lasts."

— SYTSKE LOONJEN

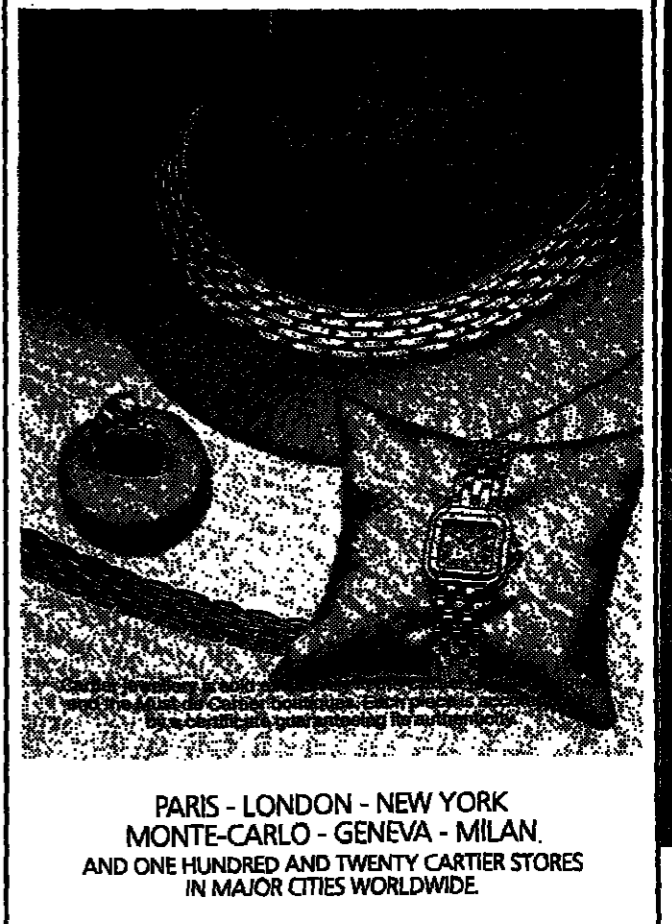
Around Europe

James Anderson, a British police official, is facing calls for his dismissal after being quoted as favoring the flogging of criminals "until they beg for mercy" and saying he would be happy "to trash them" himself, according to Women's Own magazine. The Chief Constable of Greater Manchester also said homosexual acts should be outlawed. Mr. Anderson, 55, denied saying he would be happy to trash criminals and said a tape recording of the interview would vindicate him. But Women's Own said it stood by the article. Mr. Anderson, who once said a God might have chosen him as a

France May Penalize Incitement to Suicide

Although suicide is not a crime in France, the French National Assembly has passed a bill to punish "incitement to suicide." The draft law imposes prison sentences of as long as three years and fines of as much as 200,000 francs (\$34,000) for telling people how they can take their own lives.

The measure is the government's answer to a book by Claude Guillon and Yves le Bonniec called "Suicide, Mode d'Emploi" ("How to Commit



Battle Shapes Up for Top UN Health Post

By Barry James
International Herald Tribune
After the highly politicized elections of directors-general of UNESCO in Paris and the Food and Agriculture Organization in Rome, a struggle is shaping up to fill the top job at a third United Nations agency, the World Health Organization in Geneva.

While the authors of the letter could not be traced, a senior diplomat in Manila, who made inquiries about Dr. Nakajima when it was learned that he was seeking the WHO post, said local staff told him they were irritated over the director's ambitions and critical of his administrative skills.

CRASH: Plunge Suggests Need for Regulatory Change

(Continued from Page 1)
Reserve Board and banking regulators such as the Federal Deposit Insurance Corp. as well as the securities and commodity futures commissions.

plunging, that one option the agency could consider was recommending a 30-minute halt in trading. Some say the comment pushed the market down even further, and the SEC chairman now concedes he should have held his peace.



Dr. Halidan Mahler

French TV Film Shows a Glimpse Of Soviet Gulag

PARIS — Film taken inside a Soviet labor camp by a French television crew has given the West its first authorized glimpse into the Soviet gulag.

Moreover, the so-called self-regulatory organizations — the futures, options and stock exchanges — are sure to use their influence to beat back challenges to their autonomy in policing member firms.

Nigeria Arrests 12 Labor Leaders

LAGOS — Several Nigerian labor leaders, whose campaign against higher gasoline and kerosene prices has angered the military government, are to be charged with sedition.

Thatcher Concedes on Health Funds

By Howell Raines
New York Times Service
LONDON — In a rare concession to political criticism, Prime Minister Margaret Thatcher has authorized an emergency appropriation of £100 million (\$183.6 million) for the National Health Service.

There are also signs of growing opposition to her plan for a new system of local taxation that is designed to curb welfare spending at the community level, and the polls depict some slide in support for legislation on education and housing changes, as well.

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TRAVEL

- Mexico's Chapultepec Park
- The Art of Marbled Paper
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International Herald Tribune

TRAVELER'S CHOICE

Stately Pleasure Domes of the East



“Grand Oriental Hotels” is the armchair traveler’s ultimate coffee table book and perfect Christmas present. A magnificent compendium of photographs and drawings, bills and memorabilia that evoke the golden age of the great hotels, built as palaces where East could indeed meet West. Raffles in Singapore, Shepherd’s in Cairo, the Lake Palace at Udaipur, India, the Mamounia in Marrakech, the Peninsula in Hong Kong, the Grand Hotel de Pekin, and so on. Some of these edifices no longer exist, or have been revamped (like the Mamounia) out of all recognition. This book preserves their special aura in a vanished world of privilege and leisure. The hotels were the staging posts for rich travelers, but also neutral places where, perhaps, the local rules about food and women’s dress could be suspended. “With their quasi extrajurisdictional status they were cocooned for tourists, venues for meetings of state, military headquarters in wartime, swank annexes for local society, offering liquor, gambling and even a Hollywoodian backdrop for local weddings,” writes Joseph Fichten of the Middle East establishments. Anthony Lawrence writes on the Far East, Martin Meade on the architecture and there is an introduction by Prince Michael of Greece. The book includes glimpses of the great who passed through: Lawrence of Arabia’s bill at the Baron’s Hotel in Aleppo, a picture of Winston Churchill painting in the garden of the Mamounia, Anna Pavlova on the terrace at Shepherd’s. Published by Vendome in New York, Flammarion in France and J.M. Dent in Britain.

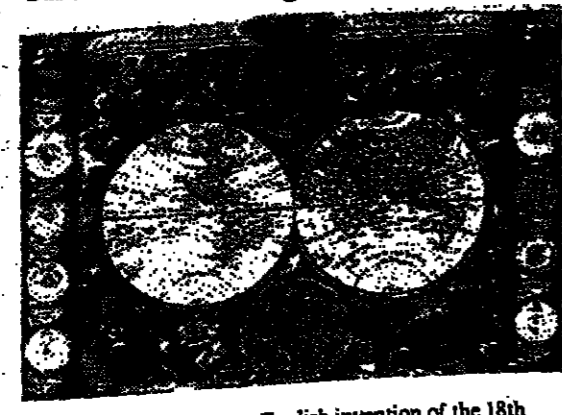
Seasonal Hotel Discounts

The city of Toronto is offering an enticement to travelers chilled by the idea of a winter visit to Lake Ontario’s north shore in the form of a 50-percent discount in the basic room rate at 53 hotels. The rate will be available Thursdays through Sundays in December, January and February. Hotel guests are also given a discount book for local entertainment, shopping and dining. In Chicago two hotels are including admission to the Art Institute of Chicago with the cost of a room. For \$165, at the Palmer House and Towers guests also get dinner and brunch as part of the Chicago Anniversary package, through Jan. 1. The Drake includes the museum admission and breakfast with a weekend rate of \$154 through Jan. 31. San Francisco’s Fairmont offers a package for \$135 that includes a choice of two tickets to the hotel’s nightclub or cocktails and dancing in the New Orleans Room. For \$250 the Hyatt Regency puts guests in a Regency Club room, as part of its Dickens Christmas Package available until Dec. 26. Guests get breakfast and tickets to the American Conservatory Theater’s production of “A Christmas Carol” and to a Dickens fair. In Boston two hotels are offering tickets to the Wyeth “Helga” exhibition along with rooms. Through Jan. 3 the Ritz-Carlton includes tea for two and a tape cassette guide to the exhibition, in a package costing \$190. Also for \$190 the hotel has a package from Dec. 2 through Jan. 3 that includes tickets to the Boston Ballet’s performance of “The Nutcracker.” The Meridian is charging \$152 and including Continental breakfast and exhibit passes through Jan. 3. New Orleans is offering December discounts at 37 of its hotels, from Dec. 11 to 27. They are called Papa Noel rates, named for the Creole Santa.

Rush to Australia’s Bicentennial

Qantas Airways announced recently that it is commencing an additional 150 flights in the coming months to provide 60,000 extra seats into and out of Australia to cope with the traffic attracted by the celebrations of its bicentennial year, which start next month. Now Qantas, United and Continental report that there are only scattered economy seats still available for flights to Australia through January. As of last week, Air New Zealand had only two APEX seats and four regular economy seats remaining for the whole month. All have some first-class tickets left. They also say that seats are going quickly for February. The Australian Tourist Commission says that hotels in Sydney are already booked at about 90 percent capacity for the year, though there are more rooms in other cities. Australia has announced dozens of events to mark the bicentennial, which will begin Jan. 1 with a live television program from 70 locations in Australia and overseas that will be seen in the United States on the Arts & Entertainment Network. Included among the events will be the World Expo ‘88 to be held in Brisbane, Queensland, from April 30 to Oct. 30, and a Tall Ships pageant in Sydney on Australia Day, Jan. 26. About 40 countries will take part.

The World in a Jigsaw



The jigsaw puzzle is an English invention of the 18th century; maps were the first subjects, with simple dissection along the line of county or country borders. Now a small London company, Optimgo, has reproduced some of the earliest puzzles—the “Nouvelle Mappemonde” of the earliest puzzle, and a very verdant cartographer’s view of as shown here, and among them. Original early puzzles the City of London among them. Original early puzzles are now collector’s items, and the Optimgo versions are designed to be such also. Available from good stores worldwide, including Bergdorf Goodman, New York; Harrod’s, London; and the Takashimaya chain in Japan. Also from certain museums, including the British Museum and the Metropolitan in New York. Further information from Optimgo, 43, Perrymead Street, London SW6. Tel: 736-2380.

Nonaligned Chic: Tito’s Vila Bled

by Alan Levy

LAKE BLEED, Yugoslavia—Raul Castro pouted when the local musicians serenaded him with the only Cuban song they knew, “When I Leave Cuba,” at a time when escapes and defections were thorns in his and his brother’s sides.

President Sukarno of Indonesia made a play for the glamorous Yugoslav harpist Pava Ursic by telling her she played divinely. “Thank you,” she responded, “but my harp is not so good.” The host, Marshal Tito, asked what the problem was. “Hard currency,” she replied. Next morning, she had a bank loan and a new harp.

Kim Il Sung of North Korea decided you can take it with you, so his aides hauled his room’s furnishings off to Pyongyang.

These and hundreds of other VIP debits are regular fare in this alpine resort where Tito maintained a summer residence and hosted the Red and the Blues from 1947 until his death in 1980. Four years later, his Vila Bled—a masterpiece of modern architecture in a lush woodland lakeside setting—was transformed into a luxury hotel. Today, all 10 of its twin-bedded rooms (\$80 to \$110 a night, with buffet breakfast; subtract \$18 for single occupancy) and 21 suites (\$110 to \$240) are open to the public, which makes Vila Bled one of Europe’s most elegant bargains—particularly with the rates still denominated in dollars.

“After Tito died,” says Matjaz Zavrnik, the town of Bled’s tourism director, “we had three choices: museum, mausoleum, or hotel. We chose the living.”

The turn-of-the-century European movement called Modernismo in Barcelona, Art Nouveau in Paris, Jugendstil in Munich and Secession in Vienna didn’t reach Slovenia until after World War I. Having arrived late, it stayed later—with Slovenian artists and artisans refining its virtues and discarding its excesses. The go-between was the architect Jozef Plecnik (1872-1957), who studied with Otto Wagner in Vienna, but spent his last 36 years back in his native Ljubljana, the Slovenian capital 60 kilometers (37 miles) southeast of Bled.

For Bled between the wars, Plecnik designed curvaceous street lamps and, on the 13-acre grounds of what became the Vila, a pavilion of rough-hewn columns and colored stones. Later, in the dawn of the nonaligned movement of nations, it would serve Tito as a hunting lodge for retreat and repose after chasing chamois on the grounds and bear in the adjacent Julian Alps with “The Lion of Judah,” Emperor Melesale Selassie of Ethiopia, and President Nasser of Egypt. Today, the Vila Bled uses it for receptions and concerts.

BUILT after the war by a pupil of Plecnik’s, Vinko Glanz, in a landscape of magnolia and hyacinth, the main house looks like a Louisiana manor with a California approach through wrought iron gates up a cobbled stone boulevard to a canopied, pillared entranceway. The lobby is in a rare Slovenian black marble from a now-exhausted quarry near Ljubljana. The bar and staircases are of an Adriatic marble, “Little Flower of Brac.”

Cool marble carpets lead down corridors of golden geometric wallpaper to spacious rooms furnished in the early 1950s. They boast such amenities as mini-bars and twin sinks. Red linens in some suites have hand-made lace borders. The crystal-chaudeliere dining room is decorated with Adriatic Maraz prints. In 1987, a kitchen strong on trout and a Serbian peasant stew called Muckulica led to a coup de cuisine in which Vila Bled became the first outpost in the communist world to be granted membership in the prestigious French association, Relais et Châteaux.

Today, the Vila Bled still attracts an occasional official visitor: most recently, Chancellor Franz Vranitzky of Austria, 25 kilometers (16 miles) away. The Italian border is 30 kilometers away, but nearer are the famous ski jump of Planica and the resorts of Kranjskagora (site of World Cup slalom and giant slalom racing), Bohinj, and Zatic for alpine skiing. The Triglav

national park, which begins just beyond Bled, is for advanced skiers, while the golf course of Bled is ideal for cross-country.

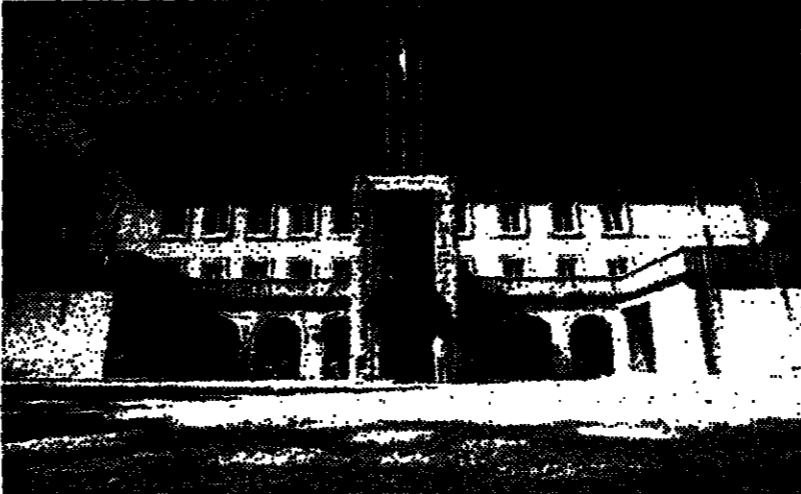
Adolfo Suarez came as an official visitor when he was prime minister of Spain and returns as a paying guest for six holidays with his wife and some of his children.

Lake Bled—2.2 kilometers long (barely enough for 1989’s world championship rowing regatta, the third to be held here) by 1.5 kilometers wide and 30 meters at its deepest—is of drinking water quality (motorboats forbidden) and embedded like a jewel between the towering summits of the Julian Alps and the massive ramparts of the Karawanken range. Here, where swans fly in flocks, a Slovenian bard, Franc Presern, understated the case when he proclaimed that this magical region called Carniola “boasts no place lovelier than this sweet paradise.”

On an island to which guests can row in 5 or 10 minutes with one of the Vila Bled’s boats or be piloted in canopied gondolas, a Gothic church was built in 1465 and Baroque in 1687 with 99 steps leading up from the lake. Pilgrims used to climb those steps on their knees to tug at the cord of the church’s “Wishing Bell,” fashioned in 1554 by a Paduan craftsman. If the bell rings on the third tug, one’s wish will be granted.

A while ago, the Algerian oil minister, Belkacem Nabi, pulled and pulled and couldn’t make it ring. “The reception manager Janez Fajfar, a onetime museum curator,” recalls the reception manager Janez Fajfar, “a onetime museum curator. “A couple of weeks later, the price of oil dropped. So the next time he visited, I reminded him about the Wishing Bell and he said this was the first time the situation had given him something to laugh about.”

The most recent of many miracles attributed to the island church came a couple of winters ago when an early frost aborted the walnut crop; the only walnut tree to bear fruit was the one shielding a Baroque statue of Mary Magdalene in a provocative pose part way up the 99 steps. Air temperatures in Bled can go as low as minus 20 degrees



The Vila Bled, above, offers a view of some of Yugoslavia’s most spectacular landscape.

Centigrade (minus 4 Fahrenheit) between mid-January and April, when one can skate to church or travel across the ice aboard a tiny trackless train; in summer, the water temperature can reach 25 Centigrade (77 Fahrenheit).

In the 1880s, Bled—in Hapsburg hands for many centuries—was colonized by wealthy Viennese as well as Jewish merchants from Belgrade who built mansions and hotels by the lake. Visiting nobility came to test the thermal waters and therapeutic mud beneath Bled’s placid surface. It was there that the Emperor Franz Joseph’s granddaughter, Elizabeth (whose father, Crown Prince Rudolph, died with a mistress in Mayerling in 1889), married the young Prince Otto von Windschgrätz at the turn of the century.

In the ashes of World War I, the Hapsburg Empire disintegrated and Bled found itself in the power of “Kingdom of the Serbs, Croats, and Slovenes” that eventually became Yugoslavia. In 1922, the fledgling kingdom gave the Windschgrätz estate to its



The Vila Bled, above, offers a view of some of Yugoslavia’s most spectacular landscape.

new ruler, Alexander of Serbia, as a wedding gift when he married Princess Marie of Romania.

A dozen years later, a Croatian terrorist assassinated Alexander, along with Foreign Minister Louis Barthou of France, in Marseille. The king’s son and successor, Peter II, was only 11 years old, but his cousin, Prince Paul, ruled as regent. A man of grand and grandiose vision, Paul had a fresco of his namesake, St. Paul, painted on the clubhouse of the 18-hole course he commissioned the Scottish golf designer Donald Harradine to create across town. (Currently, it claims to be the only one operating in Yugoslavia; there are no green fees for guests staying in suites at Vila Bled.) Paul also ordered the palace torn down to make way for something more contemporary.

THIS was done in the turbulent time of 1938-39, but only Plecnik’s pavilion—on a high bluff overlooking the lake and the miracle island’s 99 steps—could be built before the German Army

occupied Bled in the spring of 1941. The pavilion went untouched by the Germans, who killed five percent of the civilian population (which now stands near 6,000). When the Germans were gone and Tito’s Partisans mopped up in 1945, the country was communist and the monarchy had gone the way of the Hapsburgs. With Tito making few modifications of Prince Paul’s conception, the Vila Bled was built in 1947 in the frenzy of reconstruction.

Tito later preferred to holiday on the Adriatic island of Brioni (where he broiled fish for Sophia Loren, whose husband, Carlo Ponti, has visited Bled). Bled, however, remained Tito’s base for official entertaining of East bloc and Third World potentates. “When Western leaders came, Tito wanted aid,” Fajfar explains, “so he sent them to the south to show how poor we were. When Eastern leaders came, he brought them here to show how well we lived.”

One of Tito’s first guests was the Bulgarian communist premier, Georgi Dimitroff, but, after Yugoslavia’s expulsion from the

Cominform in 1948 for “deviationism” Tito had few friends in East or West. I ertheless, King Paul of Greece came to Bled in 1954 to join Tito and the president of Turkey in signing a joint defense treaty in the Balkan Pact, which looked good paper. The road around the lake was paved for the first visit of Haile Selassie, known as the “King of Kings” and “I of God”; one Bled native remembers that “he gave out gold coins while people were already starving in Ethiopia (Later, the self-proclaimed emperor Cent Africa, Jean-Bedel Bokassa, would make waves in Lake Bled by giving a tip to the ticket-seller at the rambling c across the water.) When Jawaharlal N of India joined Nasser and Tito to sign the 1961 Belgrade conference on aligned nations, the three leaders retain Bled, 650 kilometers away, but N didn’t hunt. At one reception, how Tito was a target: A ranking regional communist smashed a wine glass against a

Continued on page 8

Holiday Visitors Will Find All Paris Is a Stage

by Thomas Quinn Curtiss

PARIS—Visitors spending the holidays in Paris will find a copious theatrical feast. This festive bill of fare runs the gamut from Racine to that mime of mimes Marcel Marceau (at the Théâtre des Champs-Élysées), from sumptuous revues and musicals to Jean-Paul Belmondo as Edmund Kean.

Among the new productions of note are Antoine Vitez’s superb staging of Paul Claudel’s epic of Spain in its 16th-century glory, “Le Soulier de satin” at the Théâtre de Chailiot; Francis Huster’s mise-en-scène of Molière’s “Don Juan” with Jacques Weber as the sinful knight, Huster as his obedient servant and Fanny Ardant as Dona Elvira (at the Théâtre Renaud-Barrauld); the double bill of Molière’s “Monsieur de Pourceaugnac” (with Jacques Serjys as the provincial gentleman having a hard time in the big city) and Labiche’s “La Poudre aux yeux” at the Comédie-Française; and Racine’s “Iphigénie” with Silvia Monfort and Claude Brosset in the leading roles at the Carré Silvia Monfort.

Eric Rohmer, the film director, has tossed off an engaging little comedy, “Le Trio en blanc” in which an aging classic composer (Pascal Greggory) converts a flighty girl mad on rock (Jessica Forde) to higher musical appreciation. A diverting conversation piece with its two players smartly costumed by Kenzo, it is at the Petite Salle of the Renaud-Barrauld theater.

The late André Roussin made his farewell to the theater with an amusing sketch, “La Petite chatte est morte” in which the

jealous guardian of Molière’s “L’Ecole des Femmes” stands trial for murder. It is at the Gaiety.

Lohé Bellon’s “L’Eloignement” (The Estrangement) at the Gaité Montparnasse tells of a dramatist who is more interested in his plays than in his family. When he is down with first-night anxiety, the conflict comes to its climax. Pierre Arditi is commendable as the unhappy playwright.

REVIVALS outnumber the new plays. Pierre Dux and Robert Hirsch display their histrionic gifts in Paul Valéry’s philosophical discussion, “Mon Faust,” at the Comédie des Champs-Élysées. Suzanne Flon, Georges Wilson, Jacques Dufilho and Jean Topart provide some remarkable ensemble acting in Jean Sarrault’s wistful comedy, “Léopold, le bino-sime” at the Théâtre de l’Œuvre. Henry Bernstein’s “Le Secret” has been resurrected at the Théâtre Montparnasse in a silken production, directed artfully by André Voutsinas, with Anny Duperey as its deceptive heroine, Pierre Vaneck as her husband and Fabrice Luchini as an awkward, upright young man who would marry into the family. Robert Hossein has brought back the popular 19th-century melodrama “L’Affaire du courrier de Lyon” and framed it as a courtroom investigation with members of the audience as jurors at the Palais des Sports at Porte de Versailles. Ibsen’s “Maison de poupée” is on under Claude Santelli’s guidance at the Théâtre de la Commune d’Aubervilliers, and Jacques Maclair is giving playgoers a novelty with his presentation of the Russian comic masterpiece, Alexander Ostrovsky’s “En famille on s’arrange tou-

jours” at the Théâtre du Marais. “Haute Autriche” by the Bavarian Franz Xavier Kroetz, at the Théâtre Marie Stuart, a sociological study of a couple living in an Austrian town, is another novelty.

The Folies-Bergère boasts of “Folies en folie,” a Michel Garmally extravaganza in his best style. Serge Lama, the pop singer, occupies the Casino de Paris with his concerts, now in their third month. The Lido’s revue, “Panache,” is a lavish spectacle worthy of its international reputation. At the Moulin Rouge, Toulouse-Lautrec’s quondam haunt, which has been fashioned into an attractive theater, a presentation entitled “Femmes . . . femmes . . . femmes” animates with Parisian flair the performing space.

AT the Crazy Horse Saloon its latest production on a miniature stage, “Happy 87” reveals again the imaginative showmanship of Alain Bernardin, its proprietor. With taste, wit and invention he has lifted the striptease into a theatrical art blending eroticism with humor. The Paradis Latin has a new show of scenic wonders with “Hello Paradis” and the Alcazar’s latest is “Rire et Délire” in which gaiety and informality abound. L’Éléphant Bleu exposes “Les Sirenes du Pacifique” and at Michou talented transvestites perform side-splitting impersonations of celebrated songbirds.

French farces are so few these days that farces are being imported by the cargo from London, but one native practitioner of the art survives. This is Marc Camoletti, who has taken the Théâtre Michel as his show



Continued on page 8 Marcel Marceau.

TRAVEL

Mexico's Chapultepec Park: The Heart and Lungs of a City

by Larry Rohter

MEXICO CITY — It is one of the world's great urban parks, rivaling the Bois de Boulogne in Paris, the Imperial Gardens in Tokyo and Central Park in New York. But for the 20 million residents of Mexico City, the Bosque de Chapultepec is more than just a vast verdant expanse in the heart of the city. It is also a repository of national history and identity, a major cultural center and their favorite place for a Sunday picnic, soccer game or flirtation.

Foreign visitors to Mexico City, however, tend only to skirt the edges of this 1,655-acre park, thus missing out on much of its charm. Philangos, as those who live in the Mexican capital are called, are quick to tell visitors that, if they wish to see residents of the world's largest city truly being themselves, a visit to Chapultepec is indispensable. Others go further and say that Chapultepec is really Mexico in microcosm. "This is a garden and forest that belongs to all Mexicans," the park's director, Antonio Maldonado y

is especially attractive because it abounds in trees, wildlife, fresh air and silence.

But perhaps the best place to start is with Chapultepec Park's 10 museums, some of which are regarded as being among the best in the world. The National Museum of Anthropology in particular stands out with sections devoted to each of the major pre-Columbian Indian civilizations to which Mexicans trace their origins: Aztec, Maya, Toltec and Olmec. A few blocks down the Paseo de la Reforma, which cuts through the north part of the park, is a pair of art museums that are also internationally renowned. The Rufino Tamayo Museum honors Mexico's greatest living painter, while the Museum of Modern Art contains works by foreign and Mexican artists.

Just outside the northern edge of the park is the Centro Cultural, an ambitious new museum with shows spotlighting Mexican and foreign art. A current exhibition, "Four Centuries of the Image of La Virgen de Guadalupe," devoted to the patron saint of Mexico, contains more than 500 paintings, sculptures and photographs, including a large selection of ex votos, tin icons tradi-

natural habitat is on the slopes of a handful of Mexican volcanoes.

Also scattered throughout the park are more than 1,100 ahuehuete trees, which are members of the same family as the sequoia.

One of the features of the park most popular with residents is the lake that sprawls over a large portion of the first section. It is possible here to rent pedal boats or rowboats. From the water, the view of Chapultepec hill and castle is one of serenity and grace, with the surrounding trees reflected in the water.

Mexicans like to say that Chapultepec offers something for everyone, and that seems to be true. For the very young, there are numerous playgrounds equipped with swings and slides. There is also a Garden for the Elderly, not far from the Korean Pavilion in Section 1, which children and adolescents cannot enter.

Indeed, each corner of the park seems to have its own personality. The intersection of Ruben Dario and Campos Eliseos streets in the extreme northeast of the park, for instance, is a spot where young bullfighters often come to practice.

Sunday may be the best day to capture the true flavor of Chapultepec. All of its museums and most of its other attractions are free on Sunday, and thousands of Mexican families respond by spending the day at the park.



The lake in Section 2. Boats are available for rent.

Photograph by Rodolfo Del Paron



The main staircase of the National Museum of History.

THERE has been a continuous human presence in the park since at least A.D. 1122, when the Toltecs arrived and gave Chapultepec its name, which means Hill of the Grasshopper. It is not clear whether that choice arose from the shape of the hill that looms over the park's easternmost section or from the abundance of grasshoppers in the surrounding woods.

The grasshoppers are still around, much to the delight of curious toddlers who chase them across the open fields and meadows.

As for the hill, the Toltecs erected an altar to their gods on its summit, and chose Chapultepec Hill as the repository for the ashes of their rulers. Nezahualcoyotl, the prince of Texcoco, built a summer palace east of the hill around 1428; today he is honored with a statue and 600-foot-wide fountain in the first section. Chapultepec also proved to be a favorite place for the emperor Montezuma Xocoyotzin, who built a zoo and arboretum not far from the foot of the hill.

Traces of that pre-Columbian period are still being uncovered. The most notable site is near the foot of Chapultepec Hill, where Montezuma and his priests would ingest peyote in preparation for the religious rites they carried out there. Also worth seeing are the Baths of Montezuma, a remnant of the many reservoirs, canals and waterfalls that the Aztecs constructed here.

One of the last stands of the Aztecs against Cortez and his conquistadors took place on Chapultepec Hill in May 1521, and in 1530 the park, whose access had previously been limited to the Aztec nobility, was declared open to the public by decree of Emperor Charles V. The castle atop the hill that was later to serve as the residence of Mexican presidents as well as Emperor Maximilian was built by the Spanish in the 16th century. Today it is the home of the National Museum of History.

In 1847 Chapultepec was the site of a decisive battle in the Mexican-American War. A band of cadets studying at the military academy in the castle were overwhelmed by the troops of General Winfield Scott, an incident that gave rise to the phrase

in the United States Marine Corps hymn about "the halls of Montezuma." Rather than surrender, the cadets leaped to their death from the summit of the hill.

Though the former presidential residence atop Chapultepec Hill has been a museum since 1940, Mexican presidents continue to live in the park. Los Pinos, the presidential residence and office, is an impressive white stucco structure visible from the Periferico Expressway, which slices through the center of the park. Unlike the White House, it is not open to tours by visitors.

Even the National Pantheon is worth visiting. It contains a Rotonda of Illustrious Men, which is the final resting place of many historical figures. Artists such as Diego Rivera and musicians such as Agustín Lara are buried there; so are several Mexican presidents and more than a score of generals.

The National Auditorium is one of Mexico City's principal arenas, a place favored by musical ensembles and dance troupes. Prominent singers from Mexico and elsewhere in Latin America perform here regularly, as well as occasional American artists like Kris Kristofferson.

On evenings in April and May, a local ballet company performs "Swan Lake" with

Chapultepec Castle and Lake as a backdrop. Tickets for this springtime tradition can usually be acquired at travel agencies or at the Palacio de Las Bellas Artes downtown.

On weekends throughout the year, the Chapultepec Orchestra plays at various locations in the park. There are also free cultural shows, ranging from ballet and guitar recitals to puppet shows and poetry readings, offered daily.

IN the days of the Aztecs, Chapultepec was deliberately maintained as an elite spot far from the center of daily life. Today, however, the park adjoins Mexico City's principal business and commercial districts, so finding a hotel is no problem. The Camino Real, Presidente Chapultepec and the brand-new Nikko, probably the three best hotels in the capital, are all on the edge of the park, a short walk from the major museums and the National Auditorium. Visitors staying at downtown hotels can reach the park on two different subway lines or by taxi or bus.

For those staying at nearby hotels, it may be worthwhile to take advantage of the athletic pursuits that Chapultepec offers. In Section 2, a 2,000-meter jogging trail winds its way among a grove of trees. There is also

archery and horseback riding in Section 3. A wide variety of food is also available. It is probably unwise for the first-time visitor to sample the sandwiches, hot dogs and tacos sold by vendors, but several of the museums have cafeterias offering solid food at reasonable prices. At night, the Restaurante del Lago, serving Continental food and some Mexican dishes, is one of the city's preferred dining spots.

Chapultepec Park is open 365 days a year, though some museums and gardens close for maintenance one day a week, usually Monday or Tuesday. A free guidebook to the park, in Spanish, can be obtained from the information center atop Chapultepec Hill; an English-language version is expected to be available early next year.

Because of the large number of people who use it daily, Chapultepec's first section is generally secure. The biggest problem is pickpockets who prey on tourists outside the Museum of Anthropology, pretending to help guide visitors to taxis or buses. It is advisable to avoid secluded sections of the park's second and third sections after dark. But problems of visitor safety and security are small.

© 1987 The New York Times

Huerta, said. "It is the lungs of Mexico City, but it contains the heart and soul of Mexico."

Like ancient Gaul, Chapultepec is divided into three parts. The first section is the oldest and most active as well as the one most likely to be of interest to the visitor. The second, dominated by a pair of amusement parks, Mexico's national cemetery and several lakeside restaurants and cafeterias, is largely manmade. The third, though less frequented,

tionally commissioned as thanks for blessings bestowed. It runs through March 15.

A stroll through the park reveals much unusual flora and fauna. There are nearly 60 species of birds.

The Chapultepec Zoo is not especially large, but it has more pandas — seven — than any zoo outside of China. It also has in its collection the esquinle, a rare variety of dog raised by the Aztecs, and the teporingo, an endangered species of rabbit whose only

Buying Wine, Liqueurs in Paris: Two Cellars Worth Consulting

PARIS — Jean-Claude Vrinat has two great passions, wine and gardening. But for nine months the owner of Taillevent, Paris's most highly regarded restaurant, has not picked up a rake, a hoe or a garden catalogue. Instead, he has been adding to his already encyclopedic

or in the shop window is a dummy filled with colored water, so that no bottle suffers from light or temperature overexposure.

For those who want to move beyond the French borders, there is a small selection of wines from Germany, Italy and Australia, and from Spain he offers the dramatic Valbuena red wine.

Lovers of eaux-de-vie will feel a bit closer to heaven on finding not only the fine Chateau de Briat Armagnac but an incredible selection of Alsatian clear brandies from J.P. Mettè, including those flavored with wild

first-growth Saint-Emilion, for 225 francs — Thustrup's focus is on the rare and old, thus expensive. His current collection includes more than 40 vintages of Chateau d'Yquem, 30 vintages of Romanée Conti, 40 vintages of first-growth Bordeaux, as well as such rarities as a jeroboom of 1929 Chateau Grand-Larose.

But it is his personal attention, not simply the collection of bottles, that appeals. Basically, Thustrup works with a core of 30 or 40 regular clients, an international mix of French and non-French, each of whom spends about 250,000 francs a year on wine.

Thustrup approaches a potential new client — that is, someone who is willing to invest an initial 250,000 francs on a wine collection — in much the way a doctor takes a personal medical history. He visits the client's cellar space, finds out why he wants to begin a wine collection (for prestige? to show off? to invest? to age?), discusses his food preferences, and then begins tasting with him.

"I might leave this person alone for six months, asking them to note which of the wines they liked or disliked. At the end of that time, if there were wines they really disliked, I would buy them back," he explains.

HE says that he knows most of his client's cellars by heart, and when he finds a certain bottle — say a 1937 Chateau Haut-Brion — he knows that the client who collects Haut-Brion, and whose wife was born in 1937, will be a certain buyer.

Thustrup, who has learned all he knows about wine by keeping notes on each bottle he samples, has created his wine collection by buying up existing collections, at auctions and through word of mouth.

Like Vrinat, he is a perfectionist about storage. Every display bottle is also a dummy, and he grins as he says that he personally emptied every one of those rare old bottles before filling them with colored water.

PATRICIA WELLS

knowledge of wine by traveling the country in search of the finest independent winemakers, sampling more than 2,000 wines to create a totally personal wine shop, known as Les Caves Taillevent.

The newly opened store is on the fashionable Rue du Faubourg-Saint-Honoré, a few blocks from the restaurant, and bears that distinctive Taillevent signature. With elegant stone walls and wooden shelves, the shop like the restaurant reflects understated, classic taste.

VRINAT — whose restaurant wine list is among the most exhaustive and best priced in France — now offers consumers the choice of more than 500 wines, sumner the choice of more than 18 francs (about \$3.25), a little-known white from the southwest, a 1986 Vin de Pays des Côtes de Gascogne, Domaine du Tariquet.

Vrinat's goal is to help the public know the small winemakers of France — so even those with extensive knowledge of French wine are likely to make new discoveries.

Although shoppers can browse through a complete, 47-page listing of items available in the shop, he has compiled a "good value in France" listing representing nearly every region of France. Anyone who wants a quick wine education could start with this list. Vrinat's selection of daily-drinking wines lists 19 whites and 23 reds ranging in price from 22 to 120 francs.

The list includes some good-value Bordeaux, such as a 1981 Chateau La Tour de By at 66 francs a bottle and a 1983 Chateau Potensac at 76 francs, both Mâdoc; a little-known Anjou white, Cîteaux de l'Aubance, from the Domaine de Haute Perche, at 40 francs, and a fine white from the Mâconnais region of southern Burgundy, 1986 Saint-Véran, Domaine des Deux Roches, at 54 francs.

Whether that bottle costs 18 francs or 1,800, each one is carefully stored in one of the two temperature-controlled cellars in the shop. Every bottle displayed on the shelves

Vrinat's goal is to help the public know the small winemakers of France, so even those with extensive knowledge of French wine are likely to make new discoveries.

mint leaves, peach and citronnelle. Add to this an impressive selection of sherry, madeira, single malt Scotch, vintage port, champagnes, liqueurs and even vinegars, and one could easily spend a day lost in Vrinat's cellars.

The process of creating a wine collection often moves in fits and starts, according to one's time, interests, passions and pocketbook. For those who have the passion as well as a nest of available cash, a visit is in order to the Paris wine expert Peter Thustrup.

Thustrup, a young Swedish businessman who has turned his passion for old and rare wines into a thriving business in four years, might be called a stockbroker for wine lovers. What he does is offer a thorough personalized wine counseling service, including everything from creating a wine cellar from scratch to filling in empty spots in an existing cave.

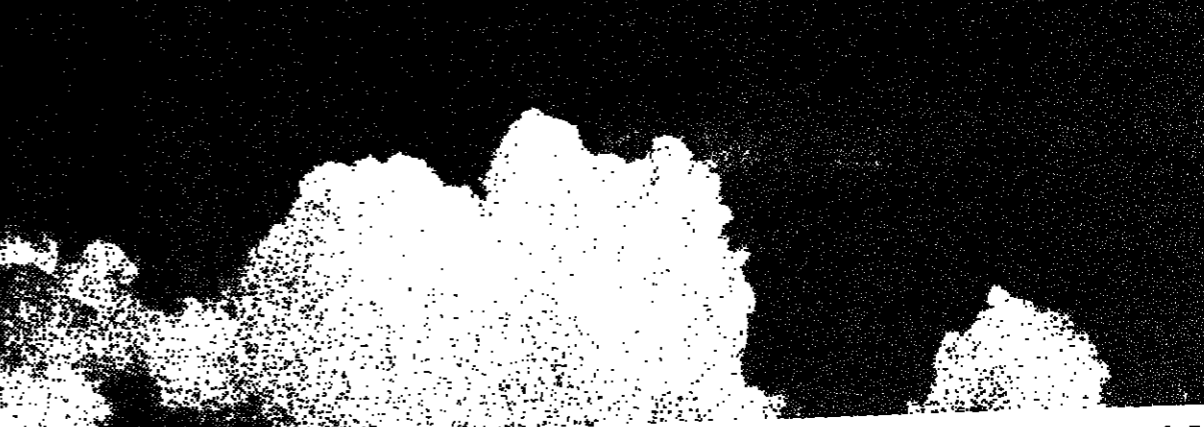
Although one can wander into his shop and find moderately priced wines — there is a 1983 Chateau La Violette, a Pomerol, for 155 francs and a 1973 Chateau Figeac, a

Les Caves Taillevent, 199 Rue du Faubourg Saint-Honoré, Paris 8; tel: 45.61.14.09. Open 10 A.M. to 8 P.M. Closed Sunday and August. Credit card: Visa.

Vins Rares et de Collection, Peter Thustrup, 3 Rue Laugier, Paris 17; tel: 47.66.58.15. Open 10 A.M. to 7 P.M. Closed Sunday. Credit cards: American Express, Diners Club, Eurocard, Visa.

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NYSE Most Actives table with columns for stock symbol, price, and change.

Market Sales table showing volume and value for various market segments.

NYSE Index table showing Composite, Industrials, Finance, and Utilities indices.

Thursdays NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table listing various market activities and their status.

NASDAQ Index table showing Composite, Industrials, Finance, and Utilities indices.

AMEX Most Actives table listing top trading stocks on the AMEX.

Dow Jones Bond Averages table showing yields for various bond categories.

NYSE Diary table listing market events and their impact.

Odd-Lot Trading in N.Y. table showing trading volume for odd-lot orders.

Dow Jones Averages table showing the performance of the Dow Jones Industrial Average.

Standard & Poor's Index table showing the performance of the S&P 500 index.

NASDAQ Diary table listing market activities on the NASDAQ.

AMEX Stock Index table showing the performance of the AMEX stock index.

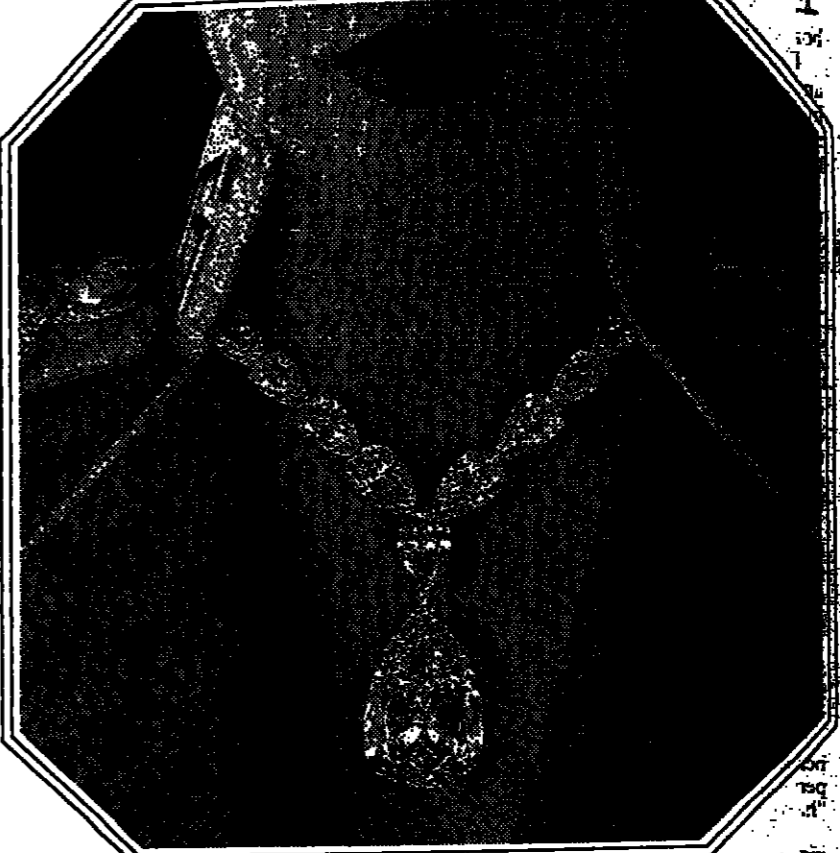
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices and changes, organized by industry or alphabetically.

Dow Breaks Winning Streak

United Press International. NEW YORK — Prices on the New York Stock Exchange fell sharply Thursday in active trading, as profit-taking halted the price advance from the past two weeks.

Table of stock prices and changes, including columns for 12-month high/low, dividend yield, and price/earnings ratio.



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Table of stock prices and changes, continuing from the previous table.

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Vertical advertisement on the right side of the page, including 'WALL STREET WATCH', 'World in funds', and 'Currency'.

Why do we fly to more countries in Asia than any other airline?



FRIDAY, DECEMBER 18, 1987

WALL STREET WATCH

Instability of Dollar Helps Funds That Invest Abroad

By VARTANIG G. VARTAN

NEW YORK — The weakness of the dollar against major world currencies has played havoc lately with the stock market. But this same dollar instability has helped to turn mutual funds that invest mainly in bonds of foreign governments into star performers this year.

These global funds, known as world income funds, produced an average total return of 16.31 percent through Dec. 10, according to Lipper Analytical Services. Their total return consists of market price changes plus interest reinvested, along with gains or losses from the value of the currency.

This enviable record compares with a loss of 3.82 percent for the average equity mutual fund and a loss of 1.14 percent for the Standard & Poor's 500-stock index in the same period.

"This has been a year when you pretty much wanted to be out of U.S. dollars and out of equities," said Edward A. Taber 3d, chairman of the investment advisory committee of the T. Rowe Price International Bond Fund. "That means that foreign bonds, as an asset class, have been the place to be."

With a return of 22.14 percent, the T. Rowe Price fund holds top ranking this year among world income funds. However, these funds are relative newcomers. Mr. Taber's fund began operations in September 1986. A year later, it had \$197 million in net assets, a figure that has since swelled to \$351 million.

British, West German and Dutch government bonds are among the current favorites of global money managers, although some managers have cut back their holdings recently in response to easing interest rates on the Continent.

Yields on world income funds range, by and large, from 6 percent to 8 percent. Australian government bonds yield about 13 percent, but these are regarded as far riskier than bonds of the "hard currency" bloc in Europe.

FOR 1987, the second best performer among global funds has been the bond portfolio of the Massachusetts Financial International Trust, with a return of 20.18 percent. Its net assets total \$170 million. Until last year it was the only mutual fund offered in the United States that served as a vehicle for investing in foreign debt securities.

Timing is critical in successful investment for mutual funds. Last year, for example, international funds that invest in foreign stocks produced an average return of 53.25 percent. This constituted the best record for any fund category and primarily reflected the dollar's weakness. The Standard & Poor 500 showed a return of 18.67 percent in 1986.

Reflecting the United States' huge imbalance with its trading partners, the dollar has continued to be weak this year. However, international equity funds are ahead by only 7.52 percent. And the T. Rowe Price International Stock Fund, after its stellar return of 61.29 percent last year, shows a negative return of a little less than 1 percent so far in 1987. What spoiled the performance of many international equity funds is that declines in foreign stocks this fall were so extreme that they offset the favorable effects of any currency gains.

The dollar has fallen to its lowest levels since the 1940s since the government reported last week that the trade deficit for October rose to a record \$17.63 billion. Some managers of foreign bond portfolios expect the dollar to continue its retreat.

"We see the prospect of the dollar declining 8 percent against a basket of foreign currencies over the next 12 months," Mr. Watt said in London. In Baltimore, Mr. Taber predicted an even larger decline in the dollar's value — on the order of 10 percent — during the coming year.

BP Buys 10% More In Britoil

Purchase Raises Stake to 24.9%

LONDON — British Petroleum Co. went on a 20-minute raid Thursday for shares in Britoil PLC and ended by boosting its stake in the smaller company to 24.9 percent at a cost of £226.8 million (\$408.2 million), or 450 pence a share.

BP also has asked clarification from the Treasury over the government's so-called golden share in Britoil, sources close to BP said. The golden share gives the government a veto over any takeover bid for Britoil.

The moves appeared to heat up what many analysts believe will turn into a full-scale takeover battle for Britoil, which controls 7 percent of Britain's North Sea output.

Last week BP, the world's third biggest oil company, said it had amassed a 14.9 percent stake in Britoil and would seek to acquire 29.9 percent of the company for around 300 pence a share. That stake is the most that BP could acquire under British law without launching a formal takeover offer.

Three days later, Britoil enlisted the American-based oil giant Atlantic Richfield Co. as a "white knight" to head off BP. Arco acquired 7.7 percent of Britoil and said it would seek up to 49.9 percent by paying 350 pence a share and by swapping assets for equity.

As a result, BP's 300 pence-a-share offer lapsed on Wednesday, and analysts had predicted the big oil company would make another try.

Brokers said that about 138 million Britoil shares changed hands during the day. Britoil's shares rose to a high of 452 pence but later eased to around 420 pence on the London Stock Exchange, still up 12 pence for the day.

A Treasury spokesman declined to comment on BP's approach on the golden share.

Arco has said repeatedly that it would consider mounting a full bid for Britoil if BP attempts to take over all of Britoil. (AP, Reuters)

As Winter Nears, Broker Eats Broker

Pain Is Numbing, But Industry's Pricing Is Intact

By Alison Leigh Cowan

NEW YORK — Despite the trauma accompanying mergers and mass layoffs on Wall Street, retrenchment is not a new phenomenon in the brokerage industry, which typically shrinks when the market hits hard times.

In fact, Wall Street is probably better prepared now than it was the last time the industry underwent a major consolidation in the early 1970s. Firms have a much broader portfolio of products to peddle and therefore are less vulnerable to downturns in any one market.

Greater interdependence of global markets has increased the customer base and the amount of capital that can pour into the system. And the outlook for corporate earnings is quite bullish.

"I don't think business on Wall Street has come to a screeching halt," said Samuel L. Hayes 3d, a professor at Harvard business school. "Business continues to go on. Firms have 6,500 employees working 12-hour days, and that hasn't slackened off."

The most recent companies to go out of business or to be sold were victims of the stock market collapse in October. But the consolidation that has eliminated firms and created jobs began in earnest long before the October plunge.

Some trace it to Donaldson, Lufkin & Jenrette's decision in 1970 to go public, which has been imitated by nearly every other private partnership on the street. The switch made even the most pristine firms vulnerable to takeovers if their earnings faltered.

Washington did its part in forcing major change on Wall Street. It opened brokerage commissions to competition in May 1975, and in 1983 it approved "shelf registrations," which cut the time and paperwork required to bring a security to market. The new rules forever altered the business.

No longer would a firm get a chunk of business, or its asking price, simply because of long-



The New York Times

Barker Makes Surprise Bid For Dee Corp.

By Warren Getler

LONDON — Barker & Dobson PLC, a food and retail group, made a surprise £2.04 billion (\$3.7 billion) bid Thursday for Dee Corp., Britain's third largest supermarket chain, but the offer was rejected as "wholly inadequate."

The bid was a surprise in part because of its heavy leveraging and in part because Barker & Dobson is much smaller than Dee in terms of revenue. The offer was for £1.25 billion in cash and about £790 million in shares.

In addition to its Gateway grocery stores, Dee owns the Herman's Sporting Goods stores in the United States and a British wholesale chain, Linford. The company reported pretax profit for the year ended April 30 of £187.1 million on revenue of \$4.84 billion.

By comparison, Barker had pretax profit of £4.15 million in 1986 on revenue of £127 million. It has predicted that profit for the current year will climb to around £13 million.

Barker said it was borrowing the full amount of the cash element in the bid from a syndicate of banks. The cash element is believed to be among the largest in recent British takeover history.

The bid values each Dee ordinary share at 230 pence. Dee's share price jumped 68 pence, or 38 percent, to 244 pence after the announcement, then slipped to end at 230, up 54 for the day.

Barker shares lost 12 pence to close at 153.

Analysts said that Barker would need to sweeten the offer, but noted that the company had succeeded in the past in obtaining enough funds to acquire target companies. In July 1986, Barker bought another supermarket chain, Budgen, for about £80 million.

"The bid is too low to succeed at first shot, but a marginally higher offer would warrant close examination," said Paul Smiddy, an analyst with Wood Mackenzie Ltd. "This would give Dee shareholders most of their investment back in cash, and cash has become a more valued commodity in recent weeks."

Under the terms of the bid, Dee

shareholders would receive 11 new Barker shares plus £28.07 in cash for every 20 Dee shares held.

Barker said it owned 4.6 million Dee shares, or 0.5 percent of the group. The stake, analysts said, appeared to have been acquired on the open market in recent weeks.

"We will bring new life to Dee. We intend to focus on the food retailing activities and sell the other parts of the business," said Barker's chairman, John Fletcher.

Mr. Smiddy said Mr. Fletcher "is a proven manager of stores, while some investors with a short-term outlook have begun to lose patience with Dee's lack of earnings growth."

Dee urged shareholders to take no action. Associated British Foods PLC holds a 15.28 percent stake in Dee.

VW, Reporting Record, Predicts Decline in Sales

WOLFSBURG, West Germany — Volkswagen AG, reporting record sales at home and in Europe in 1987 but lower deliveries to North and South America, said Thursday it was confident about 1988.

However, it predicted a drop in global demand for cars after five years of steady growth of the automobile industry. A VW statement said, "We can no longer expect further growth but a small 'technical' fall in demand."

According to preliminary data, domestic sales are expected to reach 900,000 this year for the first time, up 5 percent from 1986. Other European sales are seen at a record 1.05 million units, up 10 percent.

Total world deliveries are expected to be only slightly below the 1986 level of 2.76 million cars.

VW led European makers for the third year in a row with a market share of 15 percent.

U.S. GNP Growth Is Put At 4.3% in 3d Period

The Associated Press

WASHINGTON — The U.S. economy grew at a robust 4.3 percent annual rate over the summer, as higher than expected consumer spending helped offset a deteriorating trade performance, the government reported Thursday in revised figures.

The Commerce Department's latest look at the gross national product showed that the economy was expanding at an even faster pace immediately before the October stock market collapse than had first been thought.

A month ago, the department had put GNP growth from July through September at an annual rate of 4.1 percent.

GNP is the total value of a nation's goods and services. Many economists had expected that figure to be revised downward because of a belief that the U.S. trade deficit was worse than had been estimated.

The Commerce Department did revise the trade gap to show it worsening at a faster rate, but that was offset by bigger government outlays and a faster pace of consumer spending, as cut-rate financing helped stimulate car sales.

Inflation, as measured by the GNP, moderated in the third quarter, reflecting slower increases for petroleum and food. Prices were rising at an annual rate of 3.4 percent, compared with a 4.1 percent rate in the second quarter.

The 4.3 percent growth rate was the fastest since a 4.4 percent increase in the first quarter. The economy expanded in the April-June quarter at a 2.5 percent rate.

As Winter Nears, Broker Eats Broker

Pain Is Numbing, But Industry's Pricing Is Intact

By Alison Leigh Cowan

NEW YORK — Despite the trauma accompanying mergers and mass layoffs on Wall Street, retrenchment is not a new phenomenon in the brokerage industry, which typically shrinks when the market hits hard times.

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No longer would a firm get a chunk of business, or its asking price, simply because of long-

standing loyalty or an exclusive slant on a customer's needs.

October's stock market jolt claimed some big names. E.F. Hutton Group Inc. agreed to be purchased by Shearson Lehman Brothers Inc., itself a unit of American Express Co. L.F. Rothschild & Co. put itself up for sale, though it is unclear whether a buyer will surface.

Specialist firms on the major exchanges also went up for grabs. But if the experience is nothing new, that does not ease the pain for many. Several thousand professionals have already lost their jobs and there are no signs that the pink slips are letting up.

Yet the concentration of power

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Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for Amsterdam, Frankfurt, London, New York, Paris, Tokyo, Zurich, and various ECUs.

Other Dollar Values

Table showing exchange rates for various currencies like Australian dollar, Hong Kong dollar, etc.

Forward Rates

Table showing forward rates for various currencies and periods.

Interest Rates

Table showing interest rates for various currencies and terms.

Key Money Rates

Table showing key money rates for various currencies.

UCLA Economists Say U.S. Has Already Begun Recession

By Jonathan Peterson

LOS ANGELES — Although many analysts say they are encouraged that the U.S. economy might shrug off October's stock market collapse, economists at the University of California, Los Angeles, say the United States already has entered a recession.

"I feel like I'm living on a different planet," Larry J. Kimbell, director of UCLA's business forecasting project, said Wednesday. "Other people look at the same numbers and are cheerful."

In their annual report on the national economy, UCLA researchers said the U.S. economy, undermined by the stock market crash, would actually shrink next year by 1 percent. They said the downturn would be sharp but short, not lasting beyond June. A

UCLA Economists Say U.S. Has Already Begun Recession

recession is considered to be two consecutive quarters of zero growth.

"You might say the pink slips are written — but they're not yet in the mail," Mr. Kimbell said of companies' plans to cut jobs.

The report, which noted that Federal Reserve Board policy would play a key role in determining the downturn's severity, also predicted that consumers will be so cautious about spending money that the national savings rate will go up by 1 percent.

The added savings — dollars that otherwise would be spent and therefore help the economy — will prove to be the recession's "trigger," the report said. The spending plunge, already in progress, will ease next year but still come out as a decrease compared with 1987.

Also, the report said, the recession is expected to last through June. See REcession, Page 15

Gold

Table showing gold prices in various locations like Hong Kong, London, etc.

Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 100 High, Low, Stock, Div. Yld. PE. Contains various stock listings.

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Table with columns: Season High, Low, Open, High, Low, Close, Chg. Contains market data for various commodities.

Large vertical advertisement on the right side of the page, featuring various financial and commodity-related text and graphics.

BUSINESS ROUNDUP

Grand Met Pretax Profit Climbs 24%

LONDON — Grand Metropolitan PLC said Thursday that pretax profit rose 24 percent to \$496.1 million (853 million) in the year ended Sept. 30...

Nedlloyd Sees Big 1987 Loss Tied to Dollar's Weakness

AMSTERDAM — Royal Nedlloyd Group NV, the Dutch shipping and transport company, said Thursday that it expected a big one-time net loss for 1987 because of a downward revaluation of assets...

Husky, Oxy Eye Texaco's Canadian Unit

NEW YORK — Husky Oil Ltd. said Thursday that it had met with Texaco Inc. and two committees in the company's bankruptcy case...

BA Holds 8.3% Of Caledonian

LONDON — Scottish Provident Institution, a British investment firm, said Thursday that it had sold 1.9 percent of British Caledonian Group PLC to the merchant bankers acting for British Airways PLC...

OPEC: Economic Hardship and Political Divisions Cut Deeply Into Cartel's Cohesion

(Continued from Page 1) The United Arab Emirates are pumping twice their quota of 90,000 barrels a day. Others are cheating to make ends meet...

CONSOLIDATE: As Broker Eats Broker, Wall Street's Dynamic Seems to Be Intact

(Continued from first finance page) still killing itself trying to supply capital. He cited four municipal borrowers that come to market frequently...

Corporate clients are probably in better shape than municipal issuers. But already the level of service has begun to deteriorate, and expressions of alarm from small businesses are growing louder.

fine changes in the price and the level of service they receive. Some firms are charging more for bridge loans, which tide acquirers over until they can raise capital in the public markets...

American Stock Exchange. "It was an emergency, and we were willing to approve it without a formal review. In the over-the-counter market, mergers chisel away at the market's key sales point...

Small investors are not happy about the trend toward ever larger retail firms. They are not thrilled about receiving the same recommendation as thousands of other clients, and they say that firms focus on ever richer investors...

BANQUE NATIONALE DE PARIS Floating rate note issue of U.S.\$ 225 million June 1987/96

GLAXO HOLDINGS p.l.c. has acquired certain assets of BIOGEN S.A., Geneva

ADVERTISEMENT INGERSOLL-RAND COMPANY (CDBs) The undersigned announces that as from 19th December, 1987 at New Association N.V. Securities 175, Amsterdam...

Spot Commodities

Market Guide

U.S. Treasury

DVI Finance Options

Mountain Climbing In late October Indigo assembled and published an index of low-priced technology bargains...

OBLI-DOLLAR 10A, Boulevard Royal - Luxembourg NOTICE OF ISSUE OF FREE SHARES

OBLI-GULDEN 10A, Boulevard Royal - Luxembourg NOTICE OF ISSUE OF FREE SHARES

BANQUE DE L'UNION EUROPEENNE U.S. \$50,000,000 Floating Rate Notes 1979 - 1989

Indigo In late October Indigo assembled and published an index of low-priced technology bargains...

OBLI-DOLLAR 10A, Boulevard Royal - Luxembourg NOTICE OF ISSUE OF FREE SHARES

OBLI-GULDEN 10A, Boulevard Royal - Luxembourg NOTICE OF ISSUE OF FREE SHARES

The Royal Bank of Scotland Group plc STRONG PERFORMANCE SIGNIFICANT PROGRESS Record profits from benefits of merger and group expansion

CURRENCY MARKETS

Dollar Falls Again in Europe, N.Y.

NEW YORK — The dollar closed at new postwar lows again Thursday in New York as gloomy remarks by a former White House economist dominated the trading. Martin S. Feldstein, a Harvard professor and former chairman of President Ronald Reagan's Council of Economic Advisors, said the only way to correct the massive U.S. current account deficit was for the dollar to decline to 100 yen or less over the next three or four years. The dollar fell in late trading to 161.55 Deutsche marks and 125.80 yen in New York. It ended shortly afterward at 1.6175 DM, a record closing low that compared with 1.5285 DM Wednesday, and at 125.85 yen, down from 127.05. The dollar also fell to 5.4745 French francs from 5.5135 and to 1.3115 Swiss francs from 1.3250. And it retreated against the British pound, which firmed to \$1.8400 from \$1.8350. In line with its recent pattern, the dollar was sold heavily Thursday in the Far East. It firmed somewhat later but nonetheless closed lower for the day in Europe. In London, the dollar slipped to 1.6235 DM from 1.6300 at Wednesday's close and to 126.13 Japanese yen from 127.20. The currency also edged lower against the

London Dollar Rates table with columns for currency, bid, and ask prices.

to sell the dollar in any case. Other traders said the chief factor guiding this pre-Christmas trading in recent days was bearishness on the U.S. currency. In the absence of buying interest, U.S. economic data had little or no impact on the dollar. A revision showing a higher than expected 4.3 percent annual growth rate for the third-quarter gross national product failed to give the currency a lift, dealers said. Aside from seasonal lethargy, the Reagan administration's silence on where the dollar's slide should end was weighing heavily against the U.S. currency, they added. Dealers noted that comments Wednesday in Japan and West Germany indicated that both nations were unalarmed by the dollar's fall. The pound was down 0.2 points to 1.75 on its trade-weighted index. Lower oil prices have weakened the pound recently, and it was depressed further by a British government report Thursday showing that the annual growth rate in wages rose to 8 percent in October. In earlier European trading, the dollar was fixed in Frankfurt at 1.6237 DM, down from 1.6313 DM Wednesday, and in Paris at 4.9990 French francs, down from 5.5293. It closed in Zurich at 1.3225 Swiss francs, down from 1.3338.

M-1 Rose \$3.7 Billion In U.S. for Latest Week

NEW YORK — The narrowest measure of the U.S. money supply, M-1, rose \$3.7 billion to a seasonally adjusted \$754.4 billion in the week ended Dec. 7, the Federal Reserve said Thursday. The previous week's M-1 level was revised down to \$750.7 billion from \$750.9 billion, while the four-week moving average of M-1 fell to \$755.2 billion from \$756.4 billion.

NatWest Boosts Capital of U.K. Investment Unit

LONDON — National Westminster Bank PLC said Thursday that it was investing an additional £80 million (\$146 million) in County NatWest, its investment banking subsidiary, to cover development costs and trading losses and provisions after the collapse of world stock markets in October. The bank said part of the problem related to County NatWest's 9.5 percent stake in Blue Arrow PLC, the British employment agency whose £837 million rights issue closed on Sept. 29 only half-subscribed. It said the matter will be re-evaluated in its 1987 year-end accounts. A loss provision of £49 million, before tax, would be needed on the basis of Blue Arrow's closing price Wednesday of 93 pence, it said. In addition, County NatWest incurred further worldwide losses of about £20 million in the stock market slump. The parent bank said County NatWest's market making operations in Britain were expected to remain profitable for 1987 as a whole.

Oil's Fall Is Said to Ease Pressure for G-7 Meeting

TOKYO — Japanese government officials said Thursday that the sharp fall in oil prices this week had relieved pressure on the United States to call for an early meeting of the Group of Seven and could delay a gathering for some time. The drop, which was triggered by the failure of the Organization of Petroleum Exporting Countries to reach an effective agreement to control output, has allowed U.S. stock and bond markets to shrug off a renewed fall of the dollar this week to postwar record lows. In the past, the markets have often dropped with the dollar on fears that the weaker currency would worsen U.S. inflation. But the sharp drop in oil prices has helped allay inflation fears, at least for the time being, the officials said. With stock and bond markets rallying, the United States is under no pressure to call for an early G-7 meeting to stem the drop in the dollar. Signs that the U.S. economy remains firm despite the market rout has also relieved pressure on the United States for action, the Japanese officials said. "We shouldn't have a G-7 meeting," said a senior Tokyo official. "We should have G-2 plus OPEC." By G-2, he meant Japan and the United States. The other G-7 members are West Germany, France, Britain, Italy and Canada.

Japanese officials said their government sees no urgent need for a meeting, either, despite the dollar's fall to a postwar low of 126 yen and 1.6190 Deutsche marks in Tokyo on Thursday. Finance Minister Kiichi Miyazawa said Tuesday that the G-7 would reaffirm the Louvre pact on currency stability, leading to speculation that Japan had now become concerned enough about the dollar's fall to push for some action by the group. However, the officials said Thursday that Japan had not changed its stance. It is willing to meet other G-7 nations if asked, but only after the United States makes cuts in its budget deficit. The Bank of Japan also seems to be outwardly untroubled by the dollar's continued fall, although it is sporadically intervening in the foreign exchange market to smooth the drop, dealers said. The attitude of the Tokyo authorities has been relatively relaxed because Japanese industry has not been pushing particularly hard for action.

Some officials said industry executives realized that there was little more the authorities could do to stop the dollar or to boost the economy. Major exporters have become resigned to the yen's rise and have taken action to cope with it, including transferring production overseas, they added. With neither Japan nor the United States showing great enthusiasm for a G-7 meeting, it will be up to Europe to take the lead, one Japanese official said.

RECESSION: Economists See Sharp, but Short, Slump

(Continued from first finance page) The department also reported a robust 7.5 percent increase in new home construction during November. These signs came after other recent reports that industrial production rose sharply in November. Mr. Kimball, in support of his pessimistic views, cited the more ambiguous finding of a 0.2 percent increase in retail sales in November, a lackluster drop in October. A dismal fourth quarter for retailers, including the Christmas season, "is already in the refrigerator," he maintained. As they try to fathom the economy's prospects, many analysts are looking closely at the Federal Reserve, which has presided over an extraordinary drop in the money supply this year, interrupted only temporarily after the stock plunge. The UCLA researchers said Wednesday that they expected a quick reversal in Fed policy as soon as the signs of recession become more obvious. In keeping with their views of slow economic activity, UCLA's economists project modest inflation next year. According to Daniel J.B. Mitchell, director of the university's Institute of Industrial Relations, prices will rise 3.5 percent to 4 percent, a level consistent with that of the past few years, if such volatile elements as oil and food are not considered.

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Thursday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the last most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press

Large table of OTC prices with columns for stock name, bid, ask, and volume.

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Thursday's AMEX Closing. Tables include the nationwide prices on the closing on Wall Street and do not reflect late trading elsewhere.

Table of AMEX closing prices with columns for stock name, bid, ask, and volume.

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BOOK BRIEFS

2061: Odyssey Three. By Arthur C. Clarke. Del Rey-Ballantine. 201 East 50th Street, New York, N.Y. 10022.

Some years ago, the publisher of Del Rey-Ballantine Books handed over the smallest advance payment ever for a book by a bestselling author—a \$1 check made out to Arthur C. Clarke for an unwritten work tentatively titled "2061: The Final Odyssey."

Few science fiction sagas have been as popular as the exploration of mankind's destiny that Clarke began with "2001: A Space Odyssey."

But Clarke was in no hurry. He wanted to incorporate results of NASA's Galileo mission to Jupiter into his book and refused to write it until the results were available. Hence the \$1 advance against \$1.3 million guaranteed royalties.

Unfortunately, the Challenger calamity put Project Galileo on hold until 1995 or later. Clarke fans seemed in for a long wait. Then, some months ago, Owen Locke at Del Rey Books found in his mail a complete manuscript titled "2061: Odyssey Three."

Blissed as an interim novel in Clarke's series, the new book is a slim, surprising reunion with old friends. The protagonist, again, is Haywood Floyd, hero of the two preceding Odyssey books. Now more than a century old, but preserved by years spent in frozen sleep between planets, Floyd embarks on what begins as a leisure cruise to a comet. Naturally, his voyage is eventful.

The year 2061 is, of course, when Halley's Comet next returns to the inner solar system, where the sun's heat periodically coaxes from that cosmic ice ball yet another shrewy performance. Half of Clarke's trilogy is taken up describing what it might be like to visit, and even stand upon, a comet undergoing this fierce transformation.

"2061" is set on a more human scale than the prior Odysseys. Clarke's penchant for speculating about the ultimate destiny of humanity and all intelligent life is restrained this time—possibly because he is saving up for that promised finale. Certainly the conclusion of "2061: Odyssey Three" hints at much grander things to come. (David Brin, L.A.T)

THE ADAMS WOMEN: Abigail & Louisa Adams, Their Sisters and Daughters. By Paul C. Nagel. Oxford University Press, 200 Madison Avenue, New York, N.Y. 10016. Paul C. Nagel's "The Adams Women"

quotes a 1790 letter from Mary Smith Cranch to her sister Abigail Smith Adams, missing on the trials of their sex. "You and I have been better wives than the world will ever know," Mary writes, "or give us credit for."

Nagel does not quote the judgment of another Adams on the subject of female anonymity—Henry's in "The Education"—that the 19th-century American woman lives on only as "the man saw her," but his book is another significant correction of history's tendency to silence on the distaff side. Beginning at the beginning, with the wife of the founding Adams, John Adams' redoubtable Abigail, and her sisters Mary and Elizabeth, and ending with another daughter Abigail, "Abby" Brown Brooks, the wife of Charles Francis Adams; Nagel recaptures the thought and acts of these privileged women as they suffered and supported a great American dynasty.

The feminist informality Nagel's book is the more persuasive for being unobtrusive. Indeed, some readers may wish for more psychological probing behind the remarkable correspondence of these Adams women, especially the letters between the strong-willed Nabby and her domineering mother. On the whole, however, the larger meaning of their words speaks for itself. Nagel's point about the "pedestalizing" of the 19th-century female is as compellingly made as that of more didactic feminist scholars. (David Levering Lewis, WP)

TRUST YOUR HEART: An Autobiography. By Judy Collins. Houghton Mifflin, 2 Park Street, Boston, Mass. 02108.

It hardly seems possible that Judy Collins—who along with Bob Dylan, Joan Baez, Arlo Guthrie, Pete Seeger, Peter, Paul & Mary, and others sang us through the '60s—is herself now almost 50. The songs she sang are well enough known: 22 albums, six of them gold, some of them classics of contemporary popular music. Now with this memoir, we have the story of the singer behind the songs.

Salient facts: Judy Collins learned to perform at the feet of her father, a blind singer and radio personality, a "master dreamer and gypsy." A gifted classical pianist, Collins was 15 when she fell in love with folk music. "Singing for people..." Standing up in front of the audience, looking out at them instead of just sitting behind the piano and playing, I had the sense of eyes, faces, hopes. Folk music, she found, was more than music; it supplied the missing half, the story. (Carol Erwin, WP)

At 19 she left school, married, had a son. There was divorce, a custody fight, which she lost, and a career that took off. Along the way she had polio, tuberculosis and a throat operation; she fought alcoholism and lost love. An interesting inverse relationship, in fact, appears between her career and love life. As her career prospered, her love life suffered, and her loneliness is palpable through much of this account.

Less a memoir of the times than one woman's story, "Trust Your Heart" bears a few—but only a few—markings of the celebrity autobiography, such as the torrent of names. In the space of two rather short sentences, Collins manages to squeeze in 11 names. But much of the quotidian detail of her high-flying life is undeniably fascinating. (Carol Erwin, WP)

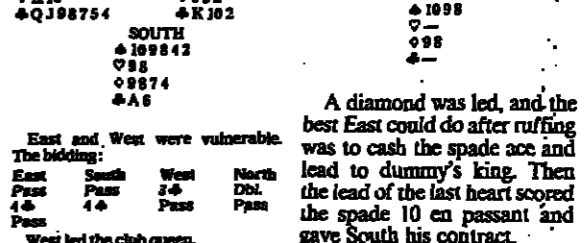
BRIDGE

By Alan Truscott

An experienced team led by Dr. George Rosenkranz of Mexico City scored a solid victory in the men's Board-a-Match team championship at the American Contract Bridge League's Fall Nationals in November, and a foursome from the Seattle area led by Shirley Edelson won the women's Board-a-Match title by a big margin.

The diagrammed deal helped the men's team winners in the first final session, in which they scored 80 percent. East was no doubt tempted to double the final contract of four spades, but the sequel showed that he was right to be cautious.

The club queen was led, and Rosenkranz as South won with the ace. He ruffed a club, cashed the two heart winners and ruffed a heart. East discarded a diamond. He then carding a diamond. He then



East and West were vulnerable. The bidding: East 1♣, West 1♦, East 1♥, West 2♣, East 3♣, West 3♦, East 4♠, West 4♠, East 5♠, West 5♠, East 6♠, West 6♠, East 7♠, West 7♠.

A diamond was led, and the best East could do after ruffing was to cash the spade ace and lead to dummy's king. Then the lead of the last heart scored the spade 10th passant and gave South his contract.

Crossword puzzle grid with numbers 1-46.

- ACROSS: 1 Parrot, 4 Mutiny name, 14 Celerity, 15 Misérables, 18 Bantu, 21 Linguistic division, 17 Those taxed, 19 Kind of salt, 20 Inception, 21 Unarmored, in way, 22 Randed, 23 Winged, 26 TV-tube area, 29 Clerical caps, 33 Fuss, 34 Border on, 37 Scene, 38 Possible title for this puzzle, 41 Female wild buffalo, 42 Premeo course, 43 Prefix with classic, 44 Nightingale relative, 46 Medieval guild and fee.

PEANUTS comic strip panels showing characters talking about Jezebel and Susan.

BLONDIE comic strip panels showing Blondie talking about a noise downstairs and a fried chicken.

BETLE BAILEY comic strip panels showing Beetle Bailey talking about being anybody and being jealous.

ANDY CAPP comic strip panels showing Andy Capp talking about a budget and a headache.

WIZARD OF ID comic strip panels showing a wizard talking about a cockroach and an exterminator.

REX MORGAN comic strip panels showing Rex Morgan talking about a dinner and a fish.

GARFIELD comic strip panels showing Garfield talking about shaving cream and a tree.

DENNIS THE MENACE comic strip panels showing Dennis the Menace talking about a stocking and a child.

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes words like EXOID, GALUH, PYRSOD, NESIPP.

WEATHER section with tables for Europe, Asia, Africa, Latin America, Middle East, and Oceania.

World Stock Markets section with tables for Amsterdam, London, Frankfurt, Zurich, Tokyo, and other global markets.

Financial section with tables for Sao Paulo, Singapore, Stockholm, Sydney, Zurich, and Tokyo.

FRIDAYS FORECAST - CHANNEL: Rough, Frankfurt: Rain, Temp. 15-20. Includes weather forecasts for various cities.

JPL/CIO/ISA

SPORTS

49ers' Record-Tying Rice Fifi Is All Snap 'n' Crackle Catching Passes

By Roy S. Johnson
REDWOOD CITY, California — You can't help but notice the hands. Long, dark, strong and boldly decorated with rings of gold and diamonds...

when I got here I was thinking about my routes and not concentrating on the ball.
"Wow, it's almost unreal," he said. "Once the ball's thrown to me, I don't hear anything. No footsteps, no crowd. And I don't see anything except the ball."

smile and the Flash 80 towel that, until last month, hung from the front of his pants during games.
"That was my inspiration," Rice said. "Before every game, I would sit in front of my locker and draw the design onto the towel as I concentrated on the game-plan."



Jerry Rice, catcher of 18 touchdown passes — at least one in 11 straight games — licensed himself to play well in the NFL.

It was either football or punishment, so that was that.
Rice quickly developed an eye for pass-catching, but it took some prodding from his father, a bricklayer, to help him focus on his future. During the summers, father took son along to work, where the youngster worked behind a wheelbarrow filled with cement in the sweating heat...

Ditka's Really Gummed It Up This Time

The Associated Press
SAN FRANCISCO — A woman who claims she was hit by a wad of gum thrown by the Chicago Bears coach, Mike Ditka, says she won't press criminal charges but has hired a lawyer to seek some kind of compensation.

San Francisco District Attorney Arlo Smith said there appeared to be no basis for a battery charge against the Chicago coach.
"Looks from the instant replay that this might be a personal foul for sportsmanlike conduct," he said. "We will decide the penalty."

Washington Post Staff
WASHINGTON — Once there was a basketball coach who went in search of Noah's Ark. He didn't find it. The same coach went into the Amazon jungle and from there called a recruit. He didn't get the player, but he did get the phone bill: \$112 for six minutes.

LSU's Dale Brown: Basketball's Second Most Controversial Coach



Dale Brown chewed down a net after a victory in 1986.

What were they going to find wrong? Were we hiding anything? Did we do anything illegal? I said to the guy on the phone, 'don't you people have anything better to do?'
"Unethical," said Tennessee's coach, Don DeVoe. "That's just my opinion. There may be a time when someone genuinely wants to hire a high school coach who happens to have a good player. But it doesn't happen often. And it doesn't happen 5 times in 15 years."

Some Soviet Players, but Not Best, Bound for NHL

The Associated Press
TORONTO — The Soviet Union will allow some players, but never its best, to join the National Hockey League, according to a report from Moscow.
Vyacheslav Koloskov, the country's hockey director, said in an interview with the Toronto Globe and Mail that he would be prepared to send the Soviet league champions to play the Stanley Cup champions in a world series of hockey next September.

member of one NHL division, with points to count in NHL standings.
Ziegler spoke of such a plan when he returned from Moscow, but Koloskov said there was more to it: four NHL teams would go to the Soviet Union to play teams there. Ziegler had mentioned only that, beginning in 1989, two NHL teams would play some exhibition matches in Moscow and Leningrad.

Izvestia tournament, which includes Canada's Olympic team.
He said he was interested in having Soviet teams play against NHL teams because "the NHL is the only professional league where the best hockey players in the world have been assembled. In order to make progress, one must play against the best on all levels — on the level of club teams, national teams and the level of stars. This is our point of view. It is for the progress of Soviet hockey."

In Poland, 'Soccer' Fights Mar Women's Basketball

United Press International
WARSAW — A women's basketball game in the Polish League had to be halted because of an outbreak of "soccer-hooliganism," the newspaper Kurier Polski has reported.
About 30 fans of the Wisla team from Krakow traveled to Lodz to see their squad play LKS, the paper reported Wednesday. About 10 minutes into the game, the referees had to stop play because a fight had broken out in the stands between rival spectators who were using "belts, sticks and even chains."

Wilander-Krishnan Opens Final

The Associated Press
GOTEBORG, Sweden — Mats Wilander of Sweden, the world's third-ranked tennis player, was drawn Thursday to face India's No. 1, Ramesh Krishnan, in the opening match Friday of the Davis Cup final between the two countries.
Anders Jarryd, replacing Stefan Edberg as Sweden's No. 2 singles player in the final, will meet India's playing captain, Vijay Amritraj, in the day's second match.
Edberg, who sprained his right foot in practice Monday, but was back in training two days later, is to team with Jarryd against the Amritraj brothers, Vijay and Anand, in Saturday's doubles match. Each captain, however, can make changes in his doubles team and does not have to announce his pairs until one hour before the match starts.
Jarryd, who has never played singles in a

Eberg Out of Davis Cup Singles

Davis Cup final before, will play Krishnan first Sunday, followed by Amritraj against Wilander.
"I'm happy with the draw, but I don't think it's so important," said Hans Olsson, who has captained the Swedish team in four previous finals and has a 21-3 record since 1982.
The matches will be played on the clay court at the 12,000-seat Scandinavium Arena. Sweden is heavily favored to regain the trophy it lost to Australia on grass in Melbourne a year ago.
"We can't do worse than the Americans did here three years ago," said Vijay Amritraj, referring to the Swedish final out of the U.S. team featuring John McEnroe and Jimmy Connors.
"But, then again, as I've said earlier, we have absolutely nothing to lose."

McGuire Loses Home, Museum in Fire

The Associated Press
COLUMBIA, South Carolina — A virtual museum of basketball memorabilia has been lost in a fire that destroyed the home of Hall of Fame coach Frank McGuire, who, with his wife, escaped with only single hair.
"All we escaped with were the clothes on our backs," McGuire, 74, said Wednesday as firefighters poured water on the smoldering ruins of the suburban house he built 23 years ago, after he was hired as the University of South Carolina's coach. "And I had my Hall of Fame ring in my pocket."
McGuire compiled a 283-142 record at South Carolina during his retirement in 1980. He had coached at St. John's following World War II, then at North Carolina from 1953 to 1961, posting a 164-58 record. His 1957 Tar Heels beat the Wilt Chamberlain-led Kansas Jayhawks, 54-53, to complete a 32-0 season with the NCAA title.
He said firefighters believed the blaze was caused by a gas leak that probably was ignited by a spark when his wife, Jane, plugged in their Christmas tree shortly after 5 P.M.
Mrs. McGuire had converted the home's two-car garage into a trophy room. It was filled with pictures, scrapbooks and basketballs, and all McGuire's sports awards since his playing days at St. John's.

SCOREBOARD

Table with columns for Hockey (NHL Standings) and Basketball (NBA Standings). Includes team names, wins, losses, and points.

Transition

BASEBALL
TEXAS — Assigned Mike Lloyd, pitcher, to Oklahoma City, American Association; sent Kevin Brown and Bob Maitav, pitchers, to Tulsa, Texas League.
NATIONAL LEAGUE
LOS ANGELES — Designated Glenn Hoffman, infielder, for optional assignment.

SPORTS BRIEFS

Argentina Beats West Germany Again
BUENOS AIRES (AP) — Jorge Burruchaga, who scored the winning goal in last year's World Cup final, scored nine minutes into the second half Wednesday to give Argentina a 1-0 victory over West Germany in an exhibition rematch of the 1986 World Cup final.

ESORTS & GUIDES

Advertisement for International Classified services, including Escort, Regency NY, and various travel agencies. Includes contact information and service descriptions.

U.S. College Results

Table listing college sports results, including basketball, football, and tennis games between various universities.

For the Record

Mack Brown, who spent three years rebuilding Tulane's football team, was hired as North Carolina's coach; Dick Crum resigned under pressure Nov. 30.
Jim McMahon, the Chicago Bears' quarterback, slipped on an icy ramp at practice, aggravating a hamstring pull, and is doubtful for Sunday's NFL game.

Quotable

Lester Hayes on L.A. Raiders teammate Bo "Thorpe" Jackson: "That's Thorpe as in Jim. Bo's gonna try swimming next. He thinks he's Johnny Weissmuller." (LAT)

